Annual Report 2015-16

BUSINESS
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FORWARD LOOKING STATEMENTS

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as anticipate, estimate, expect, project, intend, plan, believe and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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"Opportunities multiply when they are seized."

– Sun Tzu

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Seizing New Possibilities in the Digital Age

Digital has revolutionized almost every market by drastically changing customer expectations and requirements for growth. The disruptive nature of the digital economy has meant that competitive threats and transformative opportunities can come from anywhere as industries have become boundless and permeable. What this has meant is Digital necessitates reimagining the business model and business processes – not only for business enterprises, but also for software vendors and technology solution providers such as ourselves.

Sonata, as a specialized IT solutions provider has been working to deliver a unique value in this emerging scenario. Over the last three years, we have embarked on a journey to be a strategic partner for our customers' digital transformation by integrating deep industry and technology focus viz., travel, retail, distribution and independent software vendor's industry expertise complemented with specific horizontal strengths in areas such as omni-channel commerce, Mobile, Analytics and Cloud. However, we have been conscious of the need to step up the game and reimagine our business.

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From traditional IT Services to IP led Business Solutions

The pace and impact of technology on businesses has meant that enterprises need to stay ahead of the curve with differentiated technology initiatives too. Faster time cycles to launch technology led business initiatives, better adoption of new technology and leveraging the same to offer richer feature sets for customers are critical to build and sustain competitive advantage. This has enhanced the need for an IT partner who has a deeper understanding and expertise in enabling innovation, reliability and speed with their own pre built technology solutions.

Sonata's commitment to solutions based on such IP led assets and emerging technologies has in turn helped it achieve differentiated value and competitive advantage as a technology partner. This can be seen in the range of industry specific IP based solutions such as Rezopia Travel Management Platform, Brick & Click Retail Platform, Advanced Supply Chain Management Software, Halosys Mobility Platform, Retina Retail Analytics & Transit Travel Analytics Platform. Sonata's ability to offer turnkey solutions based on its IP and in using its IP as the core for further customization that accelerates development for enterprises has seen it win many new customers.

"Sonata is a very important extension of the team and over the years has made a significant contribution to our success in serving our customers better than anyone else in our business sector."

– Director IT

IP based Solutions

1. **Rezopia Travel Management Platform**
2. **Brick & Click Retail Platform**
3. **Advanced Supply Chain Management Software**
4. **Halosys Mobility Platform**
5. **Retina Retail Analytics**
6. **Transit Travel Analytics Platform**

"Sonata has been an important partner in our journey for over a decade. The expertise they bring to the table makes them a valuable part of the ecosystem.., its partners and customers who seek to get more out of our enterprise class business solution. This 10 year anniversary is a significant milestone in our relationship with Sonata and we look to newer horizons ahead."

— VP Engineering

Acquisitions

1. Rezopia Travel Management Platform

2. Halosys Mobility Platform

3. IBIS Inc.

BUSINESS CAPABILITY

Move to 'Build and Buy'

Sonata's strengths in engineering had traditionally seen it build a range of solution accelerators for its focus industries with in-house expertise gained from serving world leading customers. While we continued to leverage this capability to build significant new solutions such as Brick & Click Retail platform in-house, our experience with the Rezopia Travel SaaS acquisition in the previous Financial Year enhanced our comfort in adopting / embracing a more aggressive approach to expanding our IP portfolio thru both the 'Build' and 'Buy' routes. Reimagining something bigger that can more completely address a critical customer business need continues to be the catalyst behind acquisitions. The acquisition of IBIS Inc. to strengthen our footprint as a global Microsoft Dynamics partner for the Retail and Distribution industry, as well as the acquisition of Halosys Enterprise Mobility Platform to strengthen our digital solutions portfolio are examples of how we intend to scale up our capability through inorganic routes.

It is pertinent to note that a strategic acquisition is but the first step in a longer journey that we plan for in a solutions space. The continuous investment and enhancement of Rezopia platform, the roadmap for building out a complete digital ready modern distribution platform from IBIS Inc.'s Advanced Supply Chain Software and the leverage of Halosys to providing focus industry specific scalable mobile solutions on a platform - are all examples of building further on our Buys to generate value for customers and ourselves.

BUSINESS REIMAGINED

The Platform Evolution

We believe that platform based technology ecosystems will play a key role in the next wave of breakthrough innovation and disruptive growth. Rapid advances in cloud, mobility and delivery processes are eliminating the technology and cost barriers associated with such platforms making them the new plane of competition.

Sonata has been able to make a successful transition from the traditional enterprise application models to future-ready IT Platforms that enable the retail and travel verticals to rapidly, cost-effectively and securely deploy new technology enabled business processes. With Brick & Click Retail IT platform and Advanced Supply Chain Software available on Azure Lifecycle Services cloud, Sonata has been an early mover in offering industry specific solutions hosted on an enterprise application platform model. A host of underlying technology specific platform solutions such Ofbiz Ecommerce platform, Halosys Enterprise Mobility platform, Unified Data Analytics Platform and DevOps & Cloud Ops platform enable Sonata to stitch together the component parts needed to build an industry specific application and further customize them without compromising the underlying flexibility that this approach offers. Customers can choose to develop their own platforms, leverage emerging software vendor platforms, build upon Sonata's platform IP or combine these approaches to reliably transition to platform based business systems and realize competitive advantage with technology.

In course of the year, Sonata has been a partner for world leading enterprises and ISVs who have already adopted platform based technology systems to drive their business