



SONATA SOFTWARE LIMITED

3rd December, 2020

BSE Limited
P.J. Towers, Dalal Street
Mumbai
Kind Attn: Manager, Listing Department
Email Id: listing centre@bseindia.com
Stock Code - 532221

Dear Sirs,

Sub: Discrepancies in Financial Results for the quarter and half year ended 30th September, 2020

This is with reference to your e-mail dated November 27, 2020 which was addressed to Sonata Software Limited ("the Company") with regard to the above captioned subject. We would like to inform that the Company had disclosed condensed cash flow statements in unaudited Financial Statements (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020 as a part of quick results filed after the Board meeting held on 6th November, 2020 which is in accordance with the compliance requirement as per the SEBI (Listing Regulation Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Company also had disclosed detailed cash flow statements in unaudited Financial Statements (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020 as a part of full results filed after the Board meeting as referred above.

However, the Company has been requested to submit detailed cash flow statements as a part of unaudited Financial Statements (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020 in pdf format with the BSE Limited.

In light of the above request, please note that the detailed cash flow statements as a part of unaudited Financial Statements (Standalone and Consolidated) for the quarter and half year ended 30th September, 2020 in pdf format is enclosed herewith for your quick reference and records.

We hereby request you to take the same on record and kindly acknowledge.

Please take the same on record.

Thanking you,

Yours faithfully

For **Sonata Software Limited**

Mangal Kulkarni

Company Secretary, Compliance Officer and Head-Legal

A. CASH FLOW FROM OPERATING ACTIVITIES

Net profit before tax	11,430
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Adjustments for :

Depreciation and amortization expense	956
Finance costs	494
Provision for doubtful trade receivables	899
From concessions on lease payments	(89)
Interest on financial assets at amortized cost	(34)
Interest from fixed deposits/margin money with banks	(292)
Interest from inter-corporate deposits	(10)
Dividend income from long-term investments in subsidiaries	-
(Gain) / loss on sale of fixed assets / scrapped	22
Net (gain) on valuation of current investments	(24)
Expenses on employee stock based compensation	(79)
Exchange (gain)/loss on revaluation of investments	(32)
Unrealized foreign exchange gain (net)	(288)
Operating profit before working capital changes	12,953

Adjustments for :

Decrease/(increase) in trade receivables	12,851
Decrease/(increase) in other financial assets-current	688
Decrease/(increase) in other financial assets non-current	101
Decrease/(increase) in other non-current assets	(188)
Decrease/(increase) in other current assets	(272)
(Decrease)/increase in other financial liabilities non-current	128
(Decrease)/increase in trade payables	(2,469)
(Decrease)/increase in other financial liabilities	190
(Decrease)/increase in other current liabilities	7
(Decrease)/increase in provisions	(34)
Cash generated from operations	23,955
Direct taxes/advance tax paid (net)	(2,313)
Net cash (used in)/ Provided by operating activities	(A) 21,642

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of fixed assets, including intangible assets, capital work-in-progress and capital advances	(48)
Proceeds from sale of fixed assets	3
Bank balances not considered as Cash and cash equivalents	(125)
Interest received	300
Inter corporate deposit to subsidiary (net)	70
Net cash flow from / (used in) investing activities	(B) 200

C. CASH FLOW FROM FINANCING ACTIVITIES

Payment on lease liabilities	(776)
Dividends paid on equity shares	98
Net cash flow used in financing activities	(C) (678)

Net increase/(decrease) in Cash and cash equivalents	(A+B+C) 21,164
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Opening Cash and cash equivalents	13,762
Exchange difference on translation of foreign currency Cash and cash equivalents.	(50)
Closing Cash and cash equivalents	34,876

Cash and cash equivalents at the end of the year comprises:

Balances with banks	
In current accounts	3,613
In EEFC accounts	266
In demand deposit accounts	30,997
	34,876

SONATA SOFTWARE LIMITED
Consolidated Cash Flow Statement for the half year and ended September 30, 2020

₹ in Lakhs

For the half year
ended
September 30, 2020

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net profit before tax	14,346
Adjustments for :	
Depreciation and amortization expense	2,027
Finance costs	708
Impairment loss recognised on trade receivables and bad debts written off	1,956
Interest from unwinding of rent deposits discounted	(19)
From concessions on lease payments	(94)
Interest from fixed deposits/margin money with banks	(678)
Net (gain) / loss on sale of property, plant and equipment / scrapped	22
Net gain on investments carried at fair value through profit and loss	(30)
Expenses on employee stock based compensation	(79)
Net unrealized foreign exchange (gain) / loss	(658)
Operating profit before working capital changes	17,501

Changes in operating assets and liabilities:

Decrease/(Increase) in trade receivables	5,218
Decrease/(increase) in other financial assets non-current	100
Decrease/(increase) in other financial assets-current	2,525
Decrease/(increase) in other non-current assets	(188)
Decrease/(increase) in other current assets	(1,076)
(Decrease)/Increase in trade payables	2,716
(Decrease)/increase in other financial liabilities non-current	433
(Decrease)/increase in other current liabilities	1,563
(Decrease)/increase in provisions	520
Net cash flow from operating activities before taxes	29,312

Income taxes paid, net of refunds	(3,995)
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Net cash flow from / (used in) operating activities	(A) 25,317
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B. CASH FLOW FROM INVESTING ACTIVITIES

Expenditure on property, plant and equipment	(118)
Proceeds from disposal of property, plant and equipment	3
Purchase of current investments	(1,000)
Purchase of non-current investments	(152)
Cash outflow on acquisition of subsidiary	(5,048)
Bank balances not considered as Cash and cash equivalents	(873)
Interest received	677
Net cash flow from investing activities	(B) (6,511)

C. CASH FLOW FROM FINANCING ACTIVITIES

Payment of lease liabilities	(1,024)
Proceeds/(repayment) from/(of) short-term borrowings (net)	5,800
Payment of dividend	98
Finance costs	(135)
Net cash flow used in financing activities	(C) 4,739

Net increase/(decrease) in cash and cash equivalents	(A+B+C) 23,545
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Opening cash and cash equivalents	37,221
Exchange difference on translation of foreign currency cash and cash equivalents	119
Closing Cash and cash equivalents	60,885

Cash and cash equivalents at the end of the period comprises:

Cash on hand	2
Balances with banks	
In Current accounts	7,564
In EEFC accounts	481
In demand deposit accounts	52,838
	60,885