

25th October, 2023

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex, Mumbai
Kind Attn: Manager, Listing Department
Stock Code – SONATSOFTW

BSE Limited
P.J. Towers, Dalal Street, Mumbai
Kind Attn: Manager, Listing Department
Stock Code - 532221

Dear Sirs/Madam,

SUB: OUTCOME OF BOARD MEETING

REF: DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We wish to inform you that at the meeting of Board of Directors of the Company held today i.e. 25th October 2023, the Board, inter-alia, has:

- a. Considered and approved the Unaudited Financial Results of the Company (Standalone and Consolidated) for the quarter and half year ended 30th September, 2023.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose a copy of the Unaudited Financial Results for the quarter and half year ended 30th September, 2023, together with the Limited Review Report from Statutory Auditors of the Company. A copy of the press release is also enclosed for your reference.

- b. Declared an Interim Dividend of Rs. 7 per share (700% on par value of Rs. 1/-) for the financial year 2023-24. The Record date for the purpose of payment of the Interim Dividend will be on Tuesday, 7th November, 2023. The Interim Dividend will be paid to the registered shareholders on or after Wednesday, 22nd November, 2023 through Electronic mode or by dividend warrants, as applicable.

Pursuant to the amendments introduced in the Income Tax Act, 1961 ('the Act'), vide Finance Act, 2020, w.e.f. April 1, 2020, the Company will be required to withhold taxes at the prescribed rates on dividend paid to the shareholders. Hence, the Interim Dividend declared shall be paid after deducting tax at source ('TDS') in accordance with the provisions of the Income Tax Act, 1961.

Communication in this regard has been sent to the shareholders, whose email IDs are registered with the Company and uploaded on the website of the Company under Investor Relations section. The required documents to enable the Company to determine the appropriate TDS rates can be uploaded by the shareholders at <https://ris.kfintech.com/form15/> on or before 2nd November, 2023.

Also note that the aforesaid information is available on the Company's website www.sonata-software.com. For any further queries on Tax on Dividend, shareholders are requested to write to investor@sonata-software.com.



SONATA SOFTWARE



- c. Considered, approved and recommended a bonus issue of 1 (one) equity share for every 1 (one) equity share held by the Shareholders of the Company as on the record date. The bonus issue of equity shares will be subject to approval by the Shareholders through Postal Ballot, and any other applicable statutory and regulatory approvals. The Bonus shares once allotted shall rank pari-passu in all respects and carry the same rights as the existing Equity Shares and shall be entitled to participate in full in any dividend and other corporate action, recommended and declared after the new equity shares are allotted. The details pertaining to the Bonus Issue of equity shares as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in Annexure I.
- d. Considered, approved and recommended an increase in the Authorized Share Capital of the Company from existing Rs. 15 crores to Rs. 50 crores and consequent alteration in the Capital Clause of the Memorandum of Association and Articles of Association of the Company, on account of issue of Bonus Shares of the Company, subject to the approval of shareholders of the Company to be obtained by Postal Ballot.

The meeting commenced at 2:00 p.m. and concluded at 4:18 p.m. Also note that the aforesaid information will be available on our website www.sonata-software.com.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **Sonata Software Limited**

Mangal Kulkarni
Company Secretary, Compliance Officer and Head Legal

Encl.: As above

Annexure I
Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015
Details of Bonus Issue of equity shares

Sl. No	Particulars	Disclosure
1.	Type of securities proposed to be issued (viz. equity shares, convertibles etc.)	Equity Shares
2.	Type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.)	Bonus Issue
3.	Total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);	140,212,408
4.	Whether bonus is out of free reserves created out of profits or share premium account;	It will be from Share premium account
5.	Bonus ratio	1:1 (1 equity share for every 1 equity share held by the Shareholders of the Company as on the record date)
6.	Details of share capital – pre and post bonus issue	Pre-Issue: 140,212,408 Post-Issue: 280,424,816
7.	Free reserves and/ or share premium required for implementing the bonus issue	INR 140,212,408, will be required from share premium account for implementing the bonus issue
8.	Free reserves and/ or share premium available for capitalization and the date as on which such balance is available	Security Premium available as on 31 st March, 2023 – INR 4,151 Lakhs
9.	Whether the aforesaid figures are audited	Yes
10.	Estimated date by which such bonus shares would be credited/dispatched	Within 2 months from the date of Board approval i.e. by 23 rd December, 2023

B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
No. 13/2, off Intermediate Ring Road
Bengaluru - 560 071, India
Telephone: +91 80 4682 3000
Fax: +91 80 4682 3999

Limited Review Report on unaudited standalone financial results of Sonata Software Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Sonata Software Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Sonata Software Limited (hereinafter referred to as "the Company") for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement") in which, are included interim financial results of 6 branches and the employee welfare trust.
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Amrit Bhansali

Partner

Membership No.: 065155

UDIN:23065155BGYPF6057

Bangalore

25 October 2023

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Page 1 of 1

SONATA SOFTWARE LIMITED

Registered Office: 208, T.V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai - 400 030
 Corporate Office: Sonata Towers, Global Village, RVCE Post, Mysore Road, Bengaluru - 560 059
 CIN - L72200MH1994PLC082110

www.sonata-software.com, Tel : +91-080-67781000, investor@sonata-software.com

Part I ₹ in lakhs, except per share data

Statement of unaudited standalone financial results for the quarter and six months period ended September 30, 2023

Sl No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	24,017	23,487	23,719	47,504	45,570	92,086
2	Other income (Refer Note 5)	16,297	646	126	16,943	6,787	15,968
3	Total income (1 + 2)	40,314	24,133	23,845	64,447	52,357	1,08,054
4	Expenses						
	(a) Purchase of stock-in-trade (traded goods)	1,631	2,944	3,050	4,575	5,583	10,219
	(b) Changes in inventories of stock-in-trade	8	(9)	-	(1)	17	17
	(c) Employee benefits expense	16,870	17,025	12,721	33,895	25,116	54,350
	(d) Finance costs	107	122	181	229	370	696
	(e) Depreciation and amortization expense	543	492	452	1,035	894	1,851
	(f) Other expenses	3,687	3,115	3,126	6,802	5,983	14,504
	Total expenses	22,846	23,689	19,530	46,535	37,963	81,637
5	Profit before tax (3 - 4)	17,468	444	4,315	17,912	14,394	26,417
6	Tax expense						
	(1) Current tax	680	57	1,190	737	2,488	3,958
	(2) Deferred tax	(59)	16	28	(43)	(162)	422
	Total tax expense	621	73	1,218	694	2,326	4,380
7	Profit for the period (5 - 6)	16,847	371	3,097	17,218	12,068	22,037
8	Other comprehensive income						
	1 Items that will not be reclassified to profit/(loss)						
	(a) Remeasurement of the defined benefit plans	21	198	167	219	(98)	(463)
	(b) Income tax relating to Items that will not be reclassified to profit/(loss)	(23)	(32)	(13)	(55)	16	77
	2 Items that will be reclassified to profit or (loss)						
	(a) Exchange differences in translating the financial statements of foreign operations	(6)	18	(77)	12	(119)	(5)
	(b) Fair value changes on derivatives designated as cash flow hedge, net	98	515	(404)	613	(1,161)	(1,117)
	(c) Income tax relating to Items that will be reclassified to profit/(loss)	(70)	(87)	118	(157)	206	186
	Total	20	612	(209)	632	(1,156)	(1,322)
9	Total comprehensive income for the period (7 + 8)	16,867	983	2,888	17,850	10,912	20,715
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,387	1,387	1,386	1,387	1,386	1,387
11	Other equity (Refer Note 8)	53,973	53,973	56,136	53,973	56,136	53,973
12	Earnings per equity share (of ₹ 1/- each) (Refer Note 4 & 6)						
	(a) Basic (in ₹)	12.14	0.27	2.23	12.41	8.71	15.89
	(b) Diluted (in ₹)	12.12	0.27	2.23	12.39	8.71	15.89
	See accompanying notes to the standalone financial results						

Standalone Balance Sheet

SI No.	Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Property, plant and equipment	3,025	2,265
	(b) Right-of-use assets	1,659	3,058
	(c) Capital work-in-progress	5	2
	(d) Goodwill	282	282
	(e) Financial assets		
	(i) Investments	6,338	6,291
	(ii) Other financial assets	8,641	1,711
	(f) Deferred tax assets (net)	1,184	1,353
	(g) Income tax assets (net)	9,493	7,500
	(h) Other non-current assets	528	124
		31,155	22,586
2	CURRENT ASSETS		
	(a) Inventories	1	-
	(a) Financial assets		
	(i) Investments	2,654	2,084
	(ii) Trade receivables	36,476	30,752
	(iii) Cash and cash equivalents	4,620	4,931
	(iv) Bank balances other than (iii) above	3,281	14,416
	(v) Other financial assets	1,478	664
	(b) Other current assets	4,809	4,806
		53,319	57,653
	TOTAL - ASSETS	84,474	80,239
	EQUITY AND LIABILITIES		
3	EQUITY		
	(a) Equity share capital	1,387	1,387
	(b) Other equity	60,108	53,973
		61,495	55,360
4	LIABILITIES		
	NON-CURRENT LIABILITIES		
	Financial liabilities		
	Lease liabilities	1,104	2,468
	Other financial liabilities	1,088	661
		2,192	3,129
5	CURRENT LIABILITIES		
	(a) Financial liabilities		
	Borrowings	-	62
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	40	157
	Total outstanding dues of creditors other than micro enterprises and small enterprises	11,085	10,709
	Lease liabilities	1,199	1,583
	Other financial liabilities	3,224	2,391
	(b) Other current liabilities	1,882	3,572
	(c) Provisions	1,357	1,267
	(d) Current tax liabilities (net)	2,000	2,009
		20,787	21,750
	TOTAL - EQUITY AND LIABILITIES	84,474	80,239

Standalone Cash Flow Statement

(₹ in Lakhs)

Particulars	For the six months ended	
	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	17,912	14,394
Adjustments for :		
Depreciation and amortization expense	1,035	894
Finance costs	229	370
Impairment loss recognised on trade receivable	110	44
Provisions/ liabilities no longer required written back	(123)	(64)
Interest income	(453)	(733)
Dividend income from long-term investments in subsidiaries	(15,431)	(5,975)
Loss on sale of fixed assets / scrapped	9	-
Net (gain) on investments carried at fair value through profit and loss	(121)	(122)
Gain on termination of lease	(233)	-
Expenses/(gain) on employee stock based compensation	202	301
Exchange (gain)/loss on revaluation of investments	-	215
Net unrealized foreign exchange (gain)/loss	(376)	318
Operating profit before working capital changes	2,760	9,642
Changes in operating assets and liabilities:		
Trade receivables	(5,675)	(3,979)
Inventories	(1)	17
Other financial assets-current	(719)	(927)
Other financial assets non-current	256	8
Other non-current assets	(246)	45
Other current assets	(4)	(470)
Other financial liabilities non-current	397	600
Trade payables	372	1,604
Other financial liabilities	1,536	125
Other current liabilities	(1,470)	12
Provisions	91	104
Net cash flow from operations	(2,703)	6,781
Income taxes paid	(2,738)	(3,263)
Net cash flow from operating activities (A)	(5,441)	3,518
Net cash from operating activities after exceptional items		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including capital work-in-progress and capital advances	(1,481)	(693)
Proceeds from disposal of property, plant and equipment	17	-
Purchase of non-current investments	(89)	-
Purchase of current investments	(37,976)	(22,709)
Proceeds from sale of current investments	37,527	29,689
Investment in bank deposits	3,926	(107)
Interest received	652	218
Dividend received from subsidiary	15,431	5,975
Inter corporate deposit to subsidiary (net)	-	(1,076)
Net cash flow from investing activities (B)	18,007	11,297
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings from banks	(62)	-
Payment of lease liabilities	(830)	(943)
Payment of dividend	(12,181)	(13,561)
Proceeds from issue of shares on exercise of employee stock options	222	-
Interest paid	(8)	(1)
Net cash flow used in financing activities (C)	(12,859)	(14,505)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(293)	310
Opening Cash and cash equivalents	4,931	27,848
Exchange difference on translation of foreign currency Cash and cash equivalents.	(18)	24
Closing Cash and cash equivalents	4,620	28,182
Cash and cash equivalents at the end of the period comprises:		
Balances with banks		
In current accounts	1,333	709
In EEFC accounts	787	691
In demand deposit accounts	2,500	26,782
	4,620	28,182

Notes:

- 1 The statutory auditors, B S R & Co. LLP have expressed an unmodified review opinion. The information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. These unaudited standalone financial results thereafter have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 25, 2023.
The above unaudited standalone financial results are filed with Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 as amended from time to time and are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com, and on the Company's website, www.sonata-software.com.
- 2 The Company also publishes unaudited consolidated financial results in addition to unaudited standalone financial results. In accordance with Ind AS 108 Operating Segments, the Company has disclosed the segment information in the unaudited consolidated financial results.
- 3 Based on the financial performance of the Company, the Board at its meeting held today, approved an interim dividend of ₹ 7 per share.
- 4 Earnings per share (EPS) for quarterly and six months period ended September 30, 2023 are not annualised.
- 5 Other income for the quarter ended September 30, 2023 includes dividend income received from subsidiaries, Sonata Information Technology Limited ₹ 10,000 Lakhs, Sonata Software Solutions Limited ₹ 4,400 Lakhs, Encore IT service solutions Private limited ₹ 200 lakhs and Sonata Australia Pty Ltd ₹ 831.45 Lakhs.
- 6 The Company has allotted 35,053,102 Equity Shares of Re. 1/- each, credited as fully paid as bonus equity shares to the eligible Members of the Company as on the record date of September 10, 2022 in the ratio of 01 (One) new fully paid-up equity share for every 03 (Three) existing fully paid-up equity shares (1:3). The EPS for all the periods presented have been adjusted to this effect as required by "Ind AS 33: Earnings per Share".
- 7 The Board considered, approved and recommended a bonus issue of 1 (one) equity share for every 1 (one) equity share held by Shareholders of the Company as on the record date. The bonus issue of equity shares will be subject to approval by the Shareholders, and any other applicable statutory and regulatory approvals.
- 8 The other equity with respect to quarter ended and six months period ended September 30, 2023 represents balance as per the audited Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



SAMIR DHIR

MANAGING DIRECTOR & CEO

Place : New Jersey, USA

Date : October 25, 2023

Limited Review Report on unaudited consolidated financial results of Sonata Software Limited for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Sonata Software Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Sonata Software Limited (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30 September 2023 and year to date results for the period from 1 April 2023 to 30 September 2023 ("the Statement") in which, are also included interim financial results of 9 branches, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of the entities as disclosed in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Limited Review Report (Continued)
Sonata Software Limited

6. The Statement includes the interim financial results of 18 subsidiaries which have not been reviewed, whose interim financial results reflect total assets (before consolidation adjustments) of Rs. 37,586 lakhs as at 30 September 2023 and total revenues (before consolidation adjustments) of Rs. 16,745 lakhs and Rs. 34,543 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 990 lakhs and Rs. 2,944 lakhs and total comprehensive income (before consolidation adjustments) of Rs. 902 lakhs and Rs. 3,003 lakhs, for the quarter ended 30 September 2023 and for the period from 1 April 2023 to 30 September 2023 respectively, and cash flows (net) (before consolidation adjustments) of Rs 778 lakhs for the period from 1 April 2023 to 30 September 2023, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022



Amrit Bhansali

Partner

Membership No.: 065155

UDIN:23065155BGYPGTG9005

Bangalore

25 October 2023

Limited Review Report (Continued)
Sonata Software Limited

Annexure I

List of entities included in unaudited consolidated financial results.

Sr. No	Name of component	Relationship
1	Sonata Software Limited	Parent
2	Sonata Information Technology Limited	Subsidiary
3	Sonata Software Solutions Limited	Susbsidiary
4	Sonata Europe Limited	Susbsidiary
5	Sonata Software North America Inc.	Susbsidiary
6	Sonata Australia Pty Ltd (formerly known as "Scalable Data Systems Pty Ltd")	Susbsidiary
7	Sonata Software (Qatar) LLC	Susbsidiary
8	Encore IT Services Solutions Private Limited	Susbsidiary
9	Sonata Software GmbH	Susbsidiary
10	Sonata Software Intercontinental Limited	Susbsidiary
11	Sonata Software Malaysia SDN. BHD.	Susbsidiary
12	Sopris Systems LLC	Step-down Subsidiary
13	Encore Software Services, Inc.	Step-down Subsidiary
14	Sonata Software Canada Limited	Step-down Subsidiary
15	GAPbuster Limited	Step-down Subsidiary
16	Kabushiki Kaisha GAPbuster Japan	Step-down Subsidiary
17	GAPbuster Europe Limited	Step-down Subsidiary
18	GAPbuster Inc.	Step-down Subsidiary
19	GAPbuster China Co. Limited	Step-down Subsidiary

Limited Review Report (Continued)
Sonata Software Limited

20	GAPbuster Worldwide Malaysia SDN. BHD.	Step-down Subsidiary
21	GAPbuster Worldwide Pty Ltd	Step-down Subsidiary
22	Sonata Latin America S. DE R.L. DE C.V.	Step-down Subsidiary
23	Quant Systems Inc.	Step-down Subsidiary
24	Quant Cloud Solutions Private Limited	Step-down Subsidiary
25	Woodshed LLC	Step-down Subsidiary
26	Quant Systems CRC Inc Sociedad de Responsabilidad Limitada (CRC LLC)	Step-down Subsidiary

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Part I ₹ in lakhs, except per share data

Statement of unaudited consolidated financial results for the quarter and six months period ended September 30, 2023

SI No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	191,257	201,553	149,598	392,810	327,484	744,912
2	Other income	2,320	2,813	1,111	5,133	2,930	7,082
3	Total income (1 + 2)	193,577	204,366	150,709	397,943	330,414	751,994
4	Expenses						
	(a) Purchase of stock-in-trade (traded goods)	137,894	134,459	98,231	272,353	240,824	548,163
	(b) Changes in inventories of stock-in-trade	(16,893)	1,611	3,656	(15,282)	(6,867)	(2,589)
	(c) Employee benefits expense	33,982	32,614	22,228	66,596	43,656	93,311
	(d) Finance costs	2,067	2,083	379	4,150	752	1,854
	(e) Depreciation and amortization expense	3,334	3,120	1,362	6,454	2,659	5,913
	(f) Other expenses	16,542	15,042	10,020	31,584	20,244	45,614
	Total expenses	176,926	188,929	135,876	365,855	301,268	692,266
5	Profit before tax (3 - 4)	16,651	15,437	14,833	32,088	29,146	59,728
6	Tax expense						
	(1) Current tax	5,849	3,954	5,169	9,803	8,920	16,709
	(2) Deferred tax	(1,615)	(529)	(1,607)	(2,144)	(1,821)	(2,171)
	Total tax expense	4,234	3,425	3,562	7,659	7,099	14,538
7	Profit for the period (5 - 6)	12,417	12,012	11,271	24,429	22,047	45,190
8	Other comprehensive income						
	1 Items that will not be reclassified to profit/(loss)						
	(a) Remeasurement of the defined benefit plans	10	211	131	221	(273)	(662)
	(b) Income tax relating to Items that will not be reclassified to profit/(loss)	(4)	(49)	(33)	(53)	66	162
	2 Items that will be reclassified to profit or (loss)						
	(a) Exchange differences in translating the financial statements of foreign operations	288	(181)	-	107	31	873
	(b) Fair value changes on derivatives designated as cash flow hedge, net	158	1,122	(645)	1,280	(2,779)	(3,539)
	(c) Income tax relating to Items that will be reclassified to profit/(loss)	(111)	(220)	151	(331)	668	652
	Total	341	883	(396)	1,224	(2,287)	(2,514)
9	Total comprehensive income for the period (7 + 8)	12,758	12,895	10,875	25,653	19,760	42,676
	Of the total comprehensive income above, total comprehensive income attributable to:						
	Owners of the Company	12,758	12,895	10,875	25,653	19,760	42,676
	Non - controlling interest	-	-	-	-	-	-
		12,758	12,895	10,875	25,653	19,760	42,676
	Of the total comprehensive income above, profit for the period attributable to:						
	Owners of the Company	12,417	12,012	11,271	24,429	22,047	45,190
	Non - controlling interest	-	-	-	-	-	-
		12,417	12,012	11,271	24,429	22,047	45,190
	Of the total comprehensive income above, other comprehensive income for the period attributable to:						
	Owners of the Company	341	883	(396)	1,224	(2,287)	(2,514)
	Non - controlling interest	-	-	-	-	-	-
		341	883	(396)	1,224	(2,287)	(2,514)
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,387	1,387	1,386	1,387	1,386	1,387
11	Other equity (Refer Note 6)	128,678	128,678	108,881	128,678	108,881	128,678
12	Earnings per equity share (of ₹ 1/- each) (Refer Note 4 & 5)						
	(a) Basic (in ₹)	8.96	8.66	8.13	17.61	15.91	32.58
	(b) Diluted (in ₹)	8.94	8.65	8.13	17.58	15.91	32.58
	See accompanying notes to the consolidated financial results						

Consolidated Balance Sheet

(₹ in lakhs)

Sl No.	Particulars	As at	As at
		September 30, 2023	March 31, 2023
		<i>(Unaudited)</i>	<i>(Audited)</i>
	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Property, plant and equipment	5,481	4,800
	(b) Right-of-use assets	6,823	8,281
	(c) Capital work-in-progress	76	82
	(d) Goodwill	110,871	109,837
	(e) Other intangible assets	46,549	50,309
	(f) Financial assets		
	(i) Investments	1,367	1,396
	(ii) Other financial assets	18,367	4,192
	(g) Deferred tax assets (net)	8,413	-
	(h) Income tax assets (net)	19,235	14,935
	(i) Other non-current assets	768	348
	Total	217,950	194,180
2	CURRENT ASSETS		
	(a) Inventories	18,164	2,882
	(b) Financial assets		
	(i) Investments	7,353	20,580
	(ii) Trade receivables	171,634	123,622
	(iii) Cash and cash equivalents	27,237	41,740
	(iv) Bank balances other than (iii) above	17,886	31,286
	(v) Other financial assets	5,918	1,406
	(c) Other current assets	18,673	17,459
	(d) Asset held-for-sale	-	2,533
	Total current assets	266,865	241,508
	TOTAL ASSETS	484,815	435,688
	EQUITY AND LIABILITIES		
3	EQUITY		
	(a) Equity share capital	1,387	1,387
	(b) Other equity	142,617	128,678
	Total	144,004	130,065
4	LIABILITIES		
	NON-CURRENT LIABILITIES		
	(a) Financial liabilities		
	(i) Borrowings	20,552	30,506
	(ii) Lease liabilities	5,276	6,751
	(iii) Other financial liabilities	38,154	44,964
	(iv) Deferred tax liabilities (net)	13,827	7,069
		77,809	89,290
5	CURRENT LIABILITIES		
	(a) Financial liabilities		
	(i) Borrowings	21,716	18,852
	(ii) Lease liabilities	2,773	2,941
	(iii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	47	164
	Total outstanding dues of creditors other than micro enterprises and small enterprises	151,220	129,323
	(iv) Other financial liabilities	43,875	42,218
	(b) Other current liabilities	27,024	10,515
	(c) Provisions	3,566	3,106
	(d) Current tax liabilities (net)	12,781	9,214
	Total current liabilities	263,002	216,333
	TOTAL EQUITY AND LIABILITIES	484,815	435,688

Consolidated Cash Flow Statement

(₹ in Lakhs)

Particulars	For the six months ended	
	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	32,088	29,146
Adjustments for :		
Depreciation and amortization expense	6,454	2,659
Finance costs	4,150	752
Impairment (gain)/loss recognised on trade receivable	63	238
Bad trade receivables written off	8	-
Provisions/ liabilities no longer required written back	(1,983)	(197)
Interest Income	(1,733)	(1,400)
Net (gain) / loss on sale of property, plant and equipment / scrapped	30	-
Net (gain) on investments carried at fair value through profit and loss	(577)	(302)
Gain on termination of lease	(233)	-
Expenses on employee stock based compensation	202	301
Net unrealized foreign exchange (gain) / loss	(1,512)	(2,141)
Operating profit before working capital changes	36,957	29,056
Changes in operating assets and liabilities:		
Trade receivables	(47,704)	(41,964)
Inventories	(15,281)	(6,867)
Other financial assets non-current	256	105
Other financial assets current	(4,085)	(2,209)
Other non-current assets	(262)	46
Other current assets	(1,222)	(3,468)
Asset held-for-sale	2,533	-
Trade payables	23,630	19,255
Other financial liabilities non-current	787	(2,937)
Other financial liabilities	(1)	2,488
Other current liabilities	16,730	(570)
Provisions	460	168
Net cash flow from / (used in) operations	12,798	(6,897)
Income taxes paid	(10,430)	(10,381)
Net cash flow from / (used in) operating activities (A)	2,368	(17,278)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment including intangible assets, capital-work-in progress and capital advances	(2,000)	(2,059)
Proceeds from disposal of property, plant and equipment	19	-
Purchase of current investments	(235,462)	(147,293)
Payment in relation to business acquisition	(6,832)	-
Proceeds from sale of current investments	249,239	160,977
Investment in bank deposits	(1,032)	6
Interest received	1,818	612
Net cash flow from / (used in) investing activities (B)	5,750	12,243
C. CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(1,663)	(1,637)
Proceeds from short-term borrowings	5,500	11,933
Repayment of short-term borrowings	(8,512)	(5,716)
Repayment of term loan	(4,552)	-
Payment of dividend	(12,182)	(13,561)
Proceeds from issue of shares on exercise of ESOP	223	-
Interest paid	(1,498)	(78)
Net cash flow used in financing activities (C)	(22,684)	(9,059)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(14,566)	(14,094)
Opening cash and cash equivalents	41,740	73,369
Exchange difference on translation of foreign currency cash and cash equivalents	63	(336)
Closing Cash and cash equivalents	27,237	58,939
Cash and cash equivalents at the end of the period comprises:		
Cash on hand	-	1
Balances with banks		
In Current accounts	19,310	8,372
In EEFC accounts	1,656	1,182
In deposit accounts	6,271	49,384
	27,237	58,939

Notes:

- The statutory auditors, B S R & Co. LLP have expressed an unmodified review opinion. The information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. These unaudited Consolidated financial results thereafter have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 25, 2023.
The above unaudited Consolidated financial results are filed with Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 as amended from time to time and are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com, and on the Company's website, www.sonata-software.com.
- Unaudited consolidated financial results include financial results of subsidiaries i.e., Sonata Information Technology Limited, Sonata Software North America Inc. (SSNA), Interactive Business Information Systems Inc. (Merged with SSNA with effect from November 17, 2022), Sonata Software GmbH, Sonata Europe Limited, Sonata Software FZ-LLC (Closed w.e.f. May 19, 2023), Sonata Software (Qatar) LLC, Sonata Australia Pty Ltd (formerly known as Scalable Data Systems Pty Ltd), Sopris Systems LLC, Sonata Software Solutions Limited, GAPbuster China Co. Ltd, GAPbuster Europe Limited, GAPbuster Inc., GAPbuster Limited, GAPbuster Worldwide Malaysia SDN BHD, GAPbuster Worldwide Pty Limited, Kabushiki Kaisha GAPbuster Japan, Encore Software Services, Inc., Encore IT Services Solutions Private Limited, Sonata Software Intercontinental Limited, Sonata Software Canada Limited, Sonata Latin America S. DE R.L. DE C.V., Quant Systems Inc. (w.e.f. March 10, 2023), Quant Systems CRC Inc Sociedad De Responsabilidad Limitada (CRC LLC) (w.e.f. March 10, 2023), Quant Cloud Solutions Private Limited (w.e.f. March 10, 2023), Woodshed LLC (w.e.f. March 10, 2023) and Sonata Software Malaysia SDN. BHD (w.e.f. June 13, 2023).
- Based on the financial performance of the company, the Board at its meeting held today, approved an interim dividend of ₹ 7 per share.
- Earnings Per Share (EPS) for quarterly and six months period ended September 30, 2023 is not annualised.
- Sonata Software Limited (Holding Company) allotted 35,053,102 Equity Shares of Re. 1/- each, credited as fully paid as bonus equity shares to the eligible Members of the Holding Company whose names appear in the Register of Members of the Company as on the record date of September 10, 2022 in the ratio of 01 (One) new fully paid-up equity share for every 03 (Three) existing fully paid-up equity shares (1:3). The EPS for all the periods presented have been adjusted to this effect as required by "Ind AS 33: Earnings Per Share".
- The other equity with respect to each quarter and six months period ended September 30, 2023 represents balance as per the audited consolidated Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015.
- The Board considered, approved and recommended a bonus issue of 1 (one) equity share for every 1 (one) equity share held by Shareholders of the Company as on the record date. The bonus issue of equity shares will be subject to approval by the Shareholders, and any other applicable statutory and regulatory approvals.

(₹ in lakhs)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	24,017	23,487	23,719	47,504	45,570	92,086
Profit before tax	17,468	444	4,315	17,912	14,394	26,417
Profit after tax	16,847	371	3,097	17,218	12,068	22,037

The results for the quarter and six months period ended September 30, 2023, are available on the Company's website at www.sonata-software.com and also on the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com, where the shares of the Company are listed.

- The CEO & MD of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Information reported to the CODM for the purposes of resource allocation and assessment of segment performance focuses on geographical territory; Accordingly, the reportable segments are "India" and "Other than India"

The consolidated segment wise revenue and results are as follows :

(₹ in lakhs)

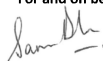
Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
a. India	106,109	117,206	88,170	223,315	199,952	485,766
b. Other than India	85,288	85,377	61,798	170,665	127,958	260,087
Total	191,397	202,583	149,968	393,980	327,910	745,853
Less : Inter segment revenue	(140)	(1,030)	(370)	(1,170)	(426)	(941)
Revenue from operations	191,257	201,553	149,598	392,810	327,484	744,912
2. Segment results						
Profit before tax and interest and unallocable expenditure						
a. India	4,935	4,361	5,012	9,296	9,732	21,148
b. Other than India	11,873	11,013	9,264	22,886	18,113	34,988
Total	16,808	15,374	14,276	32,182	27,845	56,136
Less: Finance costs	(2,067)	(2,083)	(379)	(4,150)	(752)	(1,854)
Add: Unallocable income net of unallocable expenditure	1,910	2,146	936	4,056	2,053	5,446
3. Profit before tax	16,651	15,437	14,833	32,088	29,146	59,728

The consolidated segment wise assets and liabilities are as follows :

(₹ in lakhs)

Particulars	September 30, 2023	June 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
4. Segment assets				
a. India	155,017	111,907	135,194	115,386
b. Other than India	302,150	303,439	129,074	283,874
c. Unallocable	27,648	24,002	20,881	36,428
Total assets	484,815	439,348	285,149	435,688
5. Segment liabilities				
a. India	151,124	99,192	121,389	114,373
b. Other than India	163,079	171,079	41,863	174,967
c. Unallocable	26,608	25,850	5,425	16,283
Total liabilities	340,811	296,121	168,677	305,623
6. Capital employed (4-5)	144,004	143,227	116,472	130,065

For and on behalf of the Board of Directors



Samir Dhir
Managing Director & CEO

Place : New Jersey, USA
Date : October 25, 2023



Sonata Software – International Services Revenue grew by 4.6% QoQ (40% YoY) in USD, and Domestic Gross Contribution grew by 16.5% YoY in INR. Board approved 1:1 bonus issue and interim dividend of ₹ 7 per share.

Consolidated PAT for Q2 FY 23-24 grew by 3% QoQ.

Bengaluru, October 25, 2023

Sonata Software, a global IT services and technology solutions company, today reported its unaudited financial results for its 2nd quarter ended 30th September 2023.

Description	₹ in Crores							
	For the Quarter ended					For the half year ended		
	30-Sep-23	30-Jun-23	30-Sep-22	QoQ	YoY	30-Sep-23	30-Sep-22	YoY
Revenues								
International IT Services	670.0	633.8	460.4	6%	46%	1,303.8	897.2	45%
Domestic- Products & Services	1,244.0	1,391.7	1,040.2	-11%	20%	2,635.8	2,383.3	11%
Consolidated	1,912.6	2,015.5	1,496.0	-5%	28%	3,928.1	3,274.8	20%
EBITDA								
International IT Services	165.0	150.6	119.3	10%	38%	315.7	235.4	34%
Domestic- Products & Services	56.4	56.4	47.1	0%	20%	112.9	91.1	24%
Consolidated	220.5	206.4	165.7	7%	33%	426.9	325.6	31%
PAT								
International IT Services	83.7	79.9	78.6	5%	7%	163.6	154.6	6%
Domestic- Products & Services	40.5	40.2	34.1	1%	19%	80.7	65.9	22%
Consolidated	124.2	120.1	112.7	3%	10%	244.3	220.5	11%

Speaking on the quarterly results Mr. Samir Dhir, MD & CEO of the Company said,

“We are proud and excited to deliver yet another quarter of Industry-leading growth, despite the macro geo-political issues, economic challenges, and slowdown in tech-spending. Our International services Revenue in USD terms grew 4.6% QoQ. Consolidated PAT for Q2’24 grew 3.4% QoQ. We won our first multi-year AI-enabled business transformation large deal – powered by Sonata’s Harmoni.AI.”

Speaking on the results Mr. Sujit Mohanty, MD & CEO of Sonata Information Technology Limited said,

"Our domestic products division delivered a good performance during this quarter. Our Gross Contribution grew by 1 % QoQ and 16.5 % YoY. Our Q2 PAT grew by 19% YoY. We successfully renewed all our large multiyear software contracts with our key customers. We will continue focusing on our Multi-Cloud Management offerings and System Integration business to drive future growth."



Performance Highlights for the quarter:

- **Consolidated:**

- Revenues at ₹ 1,912.6 crores; YoY growth of 28%
- EBITDA at ₹ 220.5 crores; YoY growth of 33%
- PAT at ₹ 124.2 crores; YoY growth of 10%
- Net Cash and equivalents of approximately ₹ 267 Crores (net of borrowings).
- DSO improved to 40 days (Q1'24: 41 days).

- **International IT Services:**

- Revenues at ₹ 670.0 crores; YoY growth of 46%
- Revenue in USD at 80.9 Million, QoQ revenue growth of 4.6% & YoY 40.0% in USD terms,
- EBITDA at ₹ 165.0 crores; YoY growth of 38%
- PAT at ₹ 83.7 crores; YoY growth of 7%
- DSO improved to 45 days (Q1'24: 46 days)
- Four New customer added during the quarter
- Overall strategy of delivering outcome-based Modernization services using our Domain-Led and technology-based Modernization anchored by GTMs executed through Platformation™.
- Strong growth from digital based competencies like Managed cloud services and Digital Platformation™ Services (Microsoft & Open source) and focused verticals like TMT, Healthcare & Life Sciences, Manufacturing, Retail / CPG/ TTH, BFSI and Emerging.
- Our pipeline continues to be healthy and strong through multiple new digital wins from existing and new customers.

- **Domestic Products & Services:**

- Revenues at ₹ 1,244.0 crores; YoY growth of 20%
- Gross contribution at ₹ 62.4 Crs grew by 16.5% YoY.
- EBITDA at ₹ 56.4 crores; YoY growth of 20%
- PAT at ₹ 40.5 crores; YoY growth of 19%
- DSO improved to 35 days (Q1'24: 36 days)



About Sonata Software

Sonata Software is a leading Modernization Engineering company, powered by its unique Platformation™ framework that brings together industry expertise, platform technology excellence, design innovation and strategic engagement models to deliver sustained value to customers. We partner with Fortune 500 clients to help them reimagine their business processes as part of modernization programs. As part of this phase, we drive business enablement sessions, consulting, and business processes to be aligned with best-in-class industry-specific practices. Our outcome-based Modernization Services include Cloud, Data, Dynamics, Managed Services, Automation and Digital Contact Center. We offer services and solutions around newer technologies like Generative AI, MS Fabric, and other modernization platforms. Sonata has a strong global presence in key regions including US, UK, Europe, APAC, and ANZ. We are a trusted partner of world leading companies in TMT, Retail & CPG. Manufacturing, BFSI and HLS space. Our partner ecosystem boasts of strong relationships with Microsoft, AWS, Salesforce, Snowflake, Google, and Industry partners and is critical to the value we create with our clients.

For further information, please contact:

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