



“Sonata Software Limited 1st Quarter Results Conference Call”

August 14, 2014



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*Sonata Software Limited
August 14, 2014*

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Sonata Software Limited 1st Quarter Results Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. P. Srikar Reddy. Thank you. And over to you Mr. Reddy.

P. Srikar Reddy: Good Morning to everybody, and Welcome to the Analyst Call following the announcement of our Quarterly Results Financial Year '15 on Monday this week. I have here with me Venkat whom you all know our CFO; Satya who you also know, who is the Head of our Finance and Accounts; and Priya who you also know who is our Company Secretary.

Before I ask Venkat to take you through detailed financial for the quarter which is also I think have been put up on the website, at a very high level I just like to reiterate that the results which we believe financially have been very good are a reflection of our strategy which we have started to implement about a couple of years ago, which is basically a factor of about 8 or 9 key thrust areas for the organization in terms of our focus on our strategic accounts, converting our existing accounts into strategic accounts, a very focused go-to-market strategy to get new strategic accounts and continuing to differentiate our service offerings in terms of our verticals of focus and our horizontal services, whole focus upon attracting retailing and motivating a top talent in the organization, solid focus on operating efficiencies which have been reflecting in our margins, ensuring we continue to scale and build what we call “Global Delivery Centers of Excellence” focused on two things, which are Delivery Capability and Delivery Excellence. So we do believe that this focus on these things are really starting to show in our results, and I keep saying apart from the financials, I think we continue to measure as a organization qualitatively in terms of how better we are getting on various dimensions and we continue to make progress on that. So going forward, the focus will continue to remain the same. We are going to use this to actually invest a lot more in building up capability, expanding in some of the geographies, strengthening our sales and marketing, strengthening of technology capability, domain capability, building new solutions, getting new alliance partners and then also I think we have been talking about to see whether we can strengthen our offerings by some very strategic M&A areas of focus for us. So that is about really I think some stuff in terms of where we are, what our focus is and what we plan to do going forward. I will now just hand over to Venkat to take you through the detailed financials and then we will be very happy to take questions which you may have.

N. Venkatraman: Thank you, Srikar. Good Morning to all of you. We have posted the financial results and the detailed presentation to the investors on the website, it has got quite a few of the metrics that we track and those of the analyst community and the investor community are for, so that is up there, and we have been trying to constantly improve on what we provide to you as information.

On the numbers like Srikar said, very good quarter indeed, and we have been able to beat our own internally set records, so as a company internally this is again another quarter of highest revenues and

growth for us in terms of people, in terms of profits, in terms of utilization, realization and so on and so forth. Revenues on a consolidated basis was at about Rs.417 crores, 22% growth over the same quarter last year. Sequentially, it is little flat that you will see it as the rationale for that was essentially the domestic business which is one of the segments that we operate. EBITDA on a consolidated basis at about Rs.44 crores, double-digit growth 26% sequentially and 86% year-over-year. PAT at Rs.32 crores and we have ended the quarter with about close to Rs.247 crores of cash in hand. Continue to be debt-free, we borrow only for working capital requirements on a sporadic basis.

Coming to the two segments that we operate in as you all will be aware are the International Services, the IT Exports business of the company and the Domestic Products and Services business. The IT Services business, we had revenues of Rs.140 crores which was a 4% sequential growth and about 36% year-over-year, this growth was also coming largely from the volume growth, we grew 4% in the constant currency of dollar on a sequential basis and about 25% year-over-year. EBITDA has improved; it is Rs.35 crores on a percentage basis, it is about 25% to our top line compared to 20% of last quarter sequentially. The rationale for this improvement was because of FOREX that we had; FOREX we had a restatement gain during the current quarter. On even basis of EBITDA before FOREX we are at 23% last quarter and the same is continuing this quarter as well. PAT was at about Rs.26 crores, which is a sequential growth of 43% and 219% of Y-o-Y basis.

On the utilization front, we continue to maintain the 83% that was there over the past couple of quarters, we have added 130 employees, and the utilization was despite this increase. We added 7 new customers; this is in the vertical of our choices. The million dollar customers has gone up from 17 to 18 this quarter. While we did get some restatement gains in terms of foreign currency, we also took extra cost of about Rs.1 crores in terms of depreciation, that is on account of the new change in law where we are adopting the new Company Law rates for depreciation.

On the exchange in forwards, we are reasonably covered for the next 12-months, we have changed our policy about couple of quarters back from 2 quarters to 4 quarters, so we cover 4 quarters on a roll forward basis, and we have got reasonable coverage details of which can be shared later.

On the Domestic business there the focus area is essentially on return on capital employed, the DSO and such metrics along with EBITDA. On the EBITDA front, we have had a negative on a year-over-year basis which has been explained because last quarter we did have certain other income of about Rs.6.5 crores which was interest on refund of income tax, which obviously was not that high this quarter. We did get Rs.1.6 crores nevertheless this quarter. So adjusted for that we have shown growth in EBITDA in the Domestic business. But, the key significant improvement there has been the ROCE; we are at about 41% which is a steep spike essentially because of the better use of capital that we have had in the business. DSO was at about 40 days, and we have been maintained healthy margins in that business.

Finally, we are looking to grow inorganically, and we are looking at options and that is where we would be using our cash balances for, and even despite giving good dividends of about Rs.3.75 for the

last year with the last Rs. 2.75 declared at the AGM we continue to generate cash, and we are looking to deploy this over the coming quarters. That is about it from my side, and we take questions now.

Moderator: Thank you very much, sir. Participants, we will now begin with the question-and-answer session. Participants are requested to use handsets while asking a question.

Ashish Kacholia: This is Ashish Kacholia here. I had a question pertaining to your EBITDA margins which seem to be very-very high at 20% for a company of our scale. So does it make sense for us to drop our EBITDA margin by 3-4% and invest this 3-4% margins into sales and marketing?

P. Srikar Reddy: We continue to invest as I just said that into sales, marketing, branding, domain capability. Obviously, I mean we need to make meaningful investments to see that they give meaningful value to the company. So we are not stopping the EBITDA margin from making any investment which we believe is required at this stage in the company's evolution to ensure and drive future growth. To just answer in a simple thing we are continuing to invest and yes, so we are not really looking at the margin when we are looking at investment. We will do whatever it takes to ensure that we leverage whatever are the opportunities in our focus area and drive growth and continue to increase our competitive advantage.

Ashish Kacholia: My second question is that despite these investments as you are seeing them right now, what is your sense on the margins – can we sustain the current margins at the EBITDA level in the Services business?

P. Srikar Reddy: I think we need to understand that the margins are a reflection of about the factors – one is obviously the FOREX, two is our Realization rate, three is our Utilization. The realization is something we can control and utilization, obviously, we cannot control the FOREX rate. So assuming everything is not going to change we do believe quite confident that we can sustain this margin.

Ashish Kacholia: I was just looking at some of the reviews of employees on Glassdoor.in about Sonata Software and the sense is that the company tends to loose lot of people at the middle level, it is viewed as a very-very good entry level company for engineers, but quite a few of them have said in their reviews that at the middle level there kind of better opportunities elsewhere in the market. So how are you looking to address this particular situation?

P. Srikar Reddy: I do not know, actually our retention at the middle and senior levels probably one of the best in the industry, so

Ashish Kacholia: It is not an area of concern for you?

P. Srikar Reddy: Not at the middle and senior level. I think we need to do a lot better of our retention up to the first 5-years of people this thing, and we are doing something about it.

Moderator: Thank you. Our next question is from the line of Pranav Kshatriya from Religare Capital Markets. Please go ahead.

Pranav Kshatriya: I have three questions; firstly, in the Domestic business if I look at the margins they were adjusting for that one-off; they were at 2.5%, and historically we have operated at a little higher level. So where do you see the margin or is my understanding incorrect? My second question is related to your inorganic growth what you talked about. In what areas are you looking for grow inorganically, are you looking for acquiring, I mean, will it be a scale acquisition or you are looking for a specific technology where you want to acquire? Another related question to that is are you looking to cut dividend if you have higher payout for that? And thirdly, a book keeping question. Depreciation was higher in this quarter. So what will be the steady state depreciation we should expect in the coming quarters?

P. Srikar Reddy: Let me answer the question on the M&A and I think the related question on that and then I will leave it to Venkat to answer the question on the India profit margins and depreciation. M&A is obviously in those areas where we think today we have a compelling story, so we want to get more compelling in those areas, so primarily it will be a intersection of our verticals and where we are seeing today we have a very strong horizontal focus. So to answer your question it is really to give us more competitive advantage, so it is really technology and clients and so on and so forth, may not be that much scale play at this point in time. Having said that the second question also related to dividend. So I think we can do both today, I mean, I think given our cash, and so I do not think we need to trade off one for the other. I will ask Venkat to answer your other two questions.

N. Venkatraman: As far as the Domestic business is concerned you would have seen that the EBITDA ranges from 2% to 4% that is what we have been having on a quarterly basis. Here, as far we have cautioned in the past is it would be best to look at the numbers on a YTD basis at the end of the year, because you tend to have some deals which can be large size low margins or you can have certain deals small size but high margins and it sometimes little beyond our control to see which quarter these deals come into. So that is the main reason as to why between the range that I talked to from 2% to 4%. But, what we have been trying to do is qualitatively improve that percentages upwards through getting into newer aspects like license consulting and newer business, representing higher margin products and those kind of business that we are getting into that. We do not have to really look at new principles even though they do come to us and we do represent many new people, the existing principles have got a large number of product sweep which we can actually enter into. So these are the things we are trying to do consciously to make sure that the margin percentages are slowly adjusted towards 3.5-4% at yearend level. On the depreciation for the quarter it was 84 lakhs impact for the quarter, which can slightly come down in the next quarter, not much of variations.

Pranav Kshatriya: So this should be more of a run rate for

N. Venkatraman: This should be the new norm, yes.

Moderator: Thank you. Our next question is from the line of Sangeeta Purushottam from Cogito Advisors. Please go ahead.

Sangeeta Purushottam: My question is really for Srikar. I just wanted to get a sense or a flavor of the kind of work that we are doing with clients, do our engagements tend to be time-bound or short-term in nature or we continue to work with the same set of clients over long periods of time, are they multi-year engagements, are they short term kind of engagements just to get some sense of the kind of work we are doing? And also the other question really is again related to that that what is our competitive advantage, who do we end up competing with, and how do we actually end up strengthening the client relationship that you talked about is being a focus area?

P. Srikar Reddy: At a very high level I do not think we probably share this information, but I think the number is about 85% of our revenues today come from clients who have been with us for more than 5-years. Now having said that some of the contracts tend to be long-term engagements which are more the sustenance and what we call, keep the light going kind of engagements, and we then get engaged with what we call the new technology initiatives of these companies which are aligned to the core focus areas which we are talking about, where we are building capability, where we think we have a sustained competitive advantage. So we are aligned into those initiatives with the clients. So there is a two parallel track if you want to call it, there is a sustained thing, where we understand the clients' applications and keep them going and build new stuff and then they move into what we call the routine maintenance and operations and that kind of stuff. So there is a mix of both the new and sustain in all our relationships. So typically sustain are the ones which are long-term in nature. The new is really based upon the clients' appetite to invest in new technologies and so on and so forth. So having said that so obviously the engagement model is I mean three or four things – one is we run what we call client-specific centers of excellence, which are really about 8 or 9 factors in terms of our understanding of the clients business process, technology landscape, IT process, what value we are adding, we actually measure actual business value delivered to our client businesses in terms of monetary, in terms of the solutions we are delivering to the clients, the reusability we bring into the engagements to the clients, the new technologies we add to our clients business, based on the technologies we are focused upon. So there are about 20-30 accounts where we have a fairly deep strategic account management plan, we try to put a 3-year plan in place, try to understand as much as possible where they are investing, what they are investing, and then we get aligned to that as we go forward and then we track it on a regular basis is more or less in a monthly basis and then a whole lot of governance and engagement at different levels and executive sponsorship and all that kind of stuff. I do not know whether I have answered all your questions.

Sangeeta Purushottam: Not completely. Basically what I was trying to get at is that is there something that which is different from what other companies may be doing because this kind of engagement model would be prevalent with your competitors also. So what has been really the driving force behind the growth that we have seen – is it a shift in the way you do business, is it a new customer acquisition or is it new areas that you have got into, just wanted to get a sense...

P. Srikar Reddy: I agree with you that, all we are saying is that one where we can do this business well, obviously the others are also doing it well, so that is taken care of. So having said that there are a few areas I think obviously are very focused on 3-4 verticals – travel, tourism is a major focus area for us, and outsourced product development is another other major area of focus for us, apart from that retail is

something we are starting to focus and then consumer packaged goods. So we have not spread too much into various other things. And then we believe in certain areas of horizontal we have today an expertise which is let's say available in not with too many people, so it is really the areas we are focusing on and as you said how we do and we cannot really change the way how of it, but what we are focusing on and that is what I think has let's say helped us grow apart from actually I think are using these our ability to get new clients has gotten a lot better, so that's helping that also. And then we have invested a lot more in the last 2-3-years on sales, marketing, account management, delivery excellence, we just opened a first delivery center last year outside India at Redmond, Washington, a whole lot of investment and capability buildup getting close to the clients. So all that helped also in terms of growing our business with our clients.

Sangeeta Purushottam: And one last question that the kind of growth rate we have seen in dollar terms in the Services business which has been in the range of 4-5% Q-on-Q, are you confident of being able to maintain that going forward?

P. Srikar Reddy: We never give forward-looking statements but I think at least the current outlook shows us that we should be able to maintain that.

Moderator: Thank you. Our next question is from the line of Chetan Wadia from JHP Securities. Please go ahead.

Chetan Wadia: Sir, my question is on the overseas offices that we had opened recently in Australia and Singapore. Is there any meaningful development there in terms of new businesses and new clients?

P. Srikar Reddy: We have answered this question before. We are looking at these markets. When we invest our return kind of stuff is about 3 to 5-year timeframe. Definitely, we are seeing in the Australian market, I think we have made progress, I think we have got a few clients and now we need to do as I said we are going to invest more in terms of putting more people on the ground there and doing a lot more stuff there, but I think we are showing some traction there in terms of new clients addition that I think we have added at least 2 or 3 clients in that market and it is in line with our expectations in terms of what we wanted from the market. So it actually shows that we can enter new markets then actually make it work because when we entered we had intention but I think today we are seeing that it is actually what we are doing in the ground is actually helping us to get clients.

Chetan Wadia: My second question is a book-keeping question to Mr. Venkat. The inventory adjustment shown in P&L, is it more related to domestic business software purchase?

N. Venkatraman: Yes that is related to only the Domestic business because there was one license transaction which has built over the quarter.

Moderator: Thank you. Our next question is from the line of Sanjeev Hota from Sharekhan. Please go ahead.

Sanjeev Hota: You have already touched upon the margins part, but if you could share on the moving part that has contributed to the margins improvement this quarter, which are the levers that contributed?

N. Venkatraman: Sanjeev, like I mentioned, if you adjust for FOREX of last quarter and this quarter we are at about 23% on EBITDA level, so that brings things to an even keel first, and then to explain the 23% margins like Srikar mentioned, we have had some good utilization level at about 83%, we have got better billing rates; our billing rates are actually progressed over the last few quarters and people who have been tracking us have seen that. So these two coupled with the fact that we are actually now entering new market, new customers, and better realization rates. These are the three things which are really helping the margins in percentage terms to revenues to go up.

Sanjeev Hota: How much is the realization that has improved this last quarter q-on-q?

N. Venkatraman: We do not track it on a Q-o-Q basis but about four quarters back we were at about \$19 to \$20, we are today averaging about \$24, I am talking about offshore.

Sanjeev Hota: The sustenance of margins part once you grow revenue ticket size now is the \$80 million which you grow further, so is the sustenance the issue going forward?

N. Venkatraman: In the past, we have said this, when we started the year we started with margins in I think about four quarters back about 13%, and we said that if we enter the year that was FY-'14 with 18% we would have been happy, we entered it with 20%, and right now we are at about 23% on the last two quarters with 23% this quarter rather including FOREX is about 25%. So the point is in the earlier call as well Srikar had mentioned we would not hesitate to invest, it is not that we are caught in this loop of percentages and the margin numbers, we have absolute targets and growth targets at a company level. So that is something that we will make sure happens because that is we do not want to take our eyes off that target, but that said if you need to make investments to grow in new markets, grow in new technology areas, that will be done.

Sanjeev Hota: Where I am coming from is that mid-cap companies, one of your peers, the largest in the travels and transport space, and one of the mid-cap companies is the largest in the OPD space, they are not making margins as delivered by you. So where is the mismatch, what you are doing, what they are not doing and how far it is going to...?

P. Srikar Reddy: Definitely we do not know what they are not doing, we cannot really compare ourselves with anybody, I am not too sure whether we can say we are doing something special I think....

Sanjeev Hota: Their quarterly revenue run rate is almost your yearly run rate and they are delivering margin almost half of what you are delivering. So what is the....

P. Srikar Reddy: Correct, I am saying, so I cannot comment on their business, all we can say exactly neither can I say that we are somebody spectacular or special or whatever it is, I think what we think we are doing is that we have been continuously doing something sensible and meaningful, that is all the way we can run our business, and we continue to run it that way, and we continue to focus on adding value to our clients business, that is the only way we measure our business, and if that value translates into these margins that is what it is kind of stuff. So we are not planning our business saying we want to make so

much margin kind of stuff. I think it is finally an outcome of what we are doing as a company qualitatively.

Sanjeev Hota: Can we see that over the next 2-3-years once our run rate improve to around 150 kind of per year million dollars so we can sustain margin at around 18-20% at least, that is the target we are setting up?

P. Srikar Reddy: As I said in the beginning, right, it is a function of 3 or 4 things I said that, and I think the foreign currency will be a big player in that in three years from now kind of stuff and I do not have crystal ball to gaze into it...

Sanjeev Hota: On a constant currency if rupee sustain at 60, what will be the margin target you are setting at?

P. Srikar Reddy: I think at a constant currency about 20% margin is what we think we can sustain.

Sanjeev Hota: My second question is on this inorganic growth part. You have already finalized or you are like pushing it the envelope aggressively going into inorganic growth?

P. Srikar Reddy: We are pushing it aggressively and we have been saying it for a long time, and we are almost embarrassed too keep on saying that we are pushing it aggressively, but we do believe that we need to do it and I think there are enough opportunities out in the market to do something about it, so we are pushing at it aggressively.

Sanjeev Hota: What is the free cash flow as a percentage of net income generation last year FY14 in IT Services?

N. Venkatraman: It was about Rs.60 crores.

Sanjeev Hota: A broader level just out of curiosity, is any chance of hiving off this product business going forward to get a better valuation in the market?

P. Srikar Reddy: No, I do not know, whether we will get a better valuation, you possibly are the expert, but we believe that it is an integral part of our business and a lot of relationships we get because of our what we now call as a 'Technology Infrastructure business', our relationship with leading players like Microsoft, SAP, etc. Our alliances today are a lot stronger with these leading companies which helps us in some of our global go-to-market. You wouldn't have this opportunity to get top management connect and reach into their leadership, etc., but for our relationships here it also helps us get access to technology faster, because we are a partner, we are able to get this access to their tools and technologies a lot faster and the stuff. So we do believe it is a very integrated part of our business. I am not an expert in terms of saying, but I do believe it is very valuable part of our business.

Sanjeev Hota: Lastly, are we doing anything on this Digital SMAC space or are we developing there something on that area?

P. Srikar Reddy: Sure, we mentioned it in the past calls that Digital or SMAC, Social Mobile, Analytics and Cloud is a big focus area. We have seen a significant traction both in the Mobility and Cloud space over the last few quarters. So we are going to invest a lot more now in the Analytics space especially on the Hadoop and Big Data, Analytics kind of stuff. It is a big focus area. Digital Commerce, Mobile Commerce a big focus area. A lot of investments we are making in those areas in terms of alliances, building capability, building competence, building solution accelerators, tailoring them to our vertical industries. Some of the work we do today with our leading clients in the area of Digital, making them a couple of large clients in a big transformation project of converting their part of the digital transformation journey end-to-end kind of stuff. So, it is a big focus area and that is where we think that a company of our size can quickly invest in these areas and focus ourselves very differently as far as clients are concerned.

Moderator: Thank you. The next question is from the line of Subhankar Ojha from SKS Capital & Research. Please go ahead.

Subhankar Ojha: I have a theoretical question actually. So, where do you see your Services business and product mix over the next two years excluding the inorganic growth that you are talking about? Currently, say we are at 30%.

P. Srikar Reddy: The Product business or the Technology Infrastructure business, our focus is really as Venkat said is on return on capital employed and then margin kind of stuff. So really difficult to say what that mix is. Sometimes one or two large transactions pitch in terms of the mix. So, the mix of the business and our Services business is a wrong way to look at our business. So very difficult to predict that.

Subhankar Ojha: I mean International IT Services business.

P. Srikar Reddy: I think we have said in the past, I think we do believe that whatever is our strategy and which is working and whatever we continue to invest in that, we do believe that whatever is the growth we have been able to obtain so far, we should be able to continue with the growth trajectory.

Moderator: Thank you. The next question is from the line of Abhishek Shindadkar from ICICI Securities. Please go ahead.

Abhishek Shindadkar: The first question I have is on the revenue growth on a historical basis. So we have managed to grow our international revenues at around 20% plus CAGR on a 4-year basis versus 3% growth in the employee headcount. Could you help us understand that what top four or five reasons are for this and what have we done differently in achieving this significant non-linear growth?

P. Srikar Reddy: I think I mentioned it about 12 months ago. We have almost about 20 clients who are very small and loss making and all that kind of stuff. So, we gradually extricated ourselves from that and redeployed the resources really. That is the only thing we did. Now you see that we are actually starting to increase our headcount.

- Abhishek Shindadkar:** The second question is again on the acquisition where we are looking at revenue growth. The first question is what is our sweet spot in terms of the revenue size that we are looking at and the amount that we are willing to pay? The second part is what is our view on the organic growth from the existing clients, why are we looking at acquisitions so desperately?
- P. Srikar Reddy:** If you want to expand very quickly in some of these technology areas we are talking about, there are two or three things – one is we are looking at as we go forward some level of IP-led growth, we are also looking for some top talent to be able to drive some of these initiatives. And as I said, there are some focus areas for us, where we think we have a chance to build scale and almost attain some kind of a global leadership position. We want to take that opportunity and get there. So that is what is driving us.
- Abhishek Shindadkar:** What is our sweet spot in terms of the revenue size and the payments or the outflow which we are looking at?
- P. Srikar Reddy:** Right now we are not looking for anything more than about \$30 million as a upper end of the number in terms of top line so the payout could be around the same number.
- Abhishek Shindadkar:** Last is a book-keeping question; it could be a repeat, I apologize for it. In the current quarter we had around Rs.49 crores of inventory write-back. Could you help us what exactly is that number and how should we look at it?
- R. Sathyanarayana:** There is no inventory writeback of Rs.49 crores. This is basically a change in inventory in terms of what is the closing stock as on that date, where a particular customer we have billed on the subsequent date.
- N. Venkatraman:** Abhishek, this is with respect to the Product business, we were carrying some bit of inventory, because our business is back-to-back, we were carrying a particular transaction over the quarter, because we have to wait for the customers PO bill it for him. So it just moves to the next quarter that is spilt over to the next quarter for the billing. That is why we had to carry as on the closing date.
- Moderator:** Thank you. The next follow up question is from the line of Pranav Kshatriya from Religare Capital Markets. Please go ahead.
- Pranav Kshatriya:** My question is what kind of CAPEX are you looking for in this financial year?
- N. Venkatraman:** We normally have CAPEX ranging between Rs.15-20 crores in a year.
- Pranav Kshatriya:** Sir, second question, what is the outstanding hedges, and what is the average hedge rate?
- P. Srikar Reddy:** We cover for the rolling 12 months; dollar is covered to the extent of about 72%, GBP for about 71% and Euro for about 68% and our average realization rate is about 62.50, 105 and about 87.
- Moderator:** Thank you. The next question is from the line of BN Bhatt, an individual investor. Please go ahead.



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- BN Bhatt:** My first question is our equity share around Rs.10 crores whereas your reserves is around Rs.300 crores, 30x. So why the company has not thought of giving any bonus issue so far? Number one. Number two, there are much rumors in the market saying that this company is being taken over by other big company. So any truth in that some rumors?
- P. Srikar Reddy:** Let me say that to the second question, it is 'no.'
- N. Venkatraman:** On the bonus it is something that has been raised up to the chairman and to the board, it comes up at our AGM, and yes, the board will have to consider that.
- BN Bhatt:** Because my concern is we are having 30x reserves. So at least boost yourself and the investors also.
- P. Srikar Reddy:** Sure, the point taken, thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the floor back to Mr. P. Srikar Reddy for closing comments. Thank you. And over to you sir.
- P. Srikar Reddy:** Thank you, all very much for joining the call and very highly interactive session. Thanks for all your continuous support. So we look forward to seeing you in our future meetings. Thank you all again.
- Moderator:** Thank you. Ladies and Gentlemen, on behalf of Sonata Software Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.