



Sonata Software Limited Conference Call FY2011 (Q1)

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CORPORATE PARTICIPANTS

B. Ramaswamy, President & Managing Director

P Srikar Reddy, EVP & COO

N. Venkatraman, Head -- Strategic Finance and Risk Management

Sathyararayanan R, Head – Finance & Accounts

Swati Sengupta, Head – Corporate Marketing & Communications

Praveen Kumar D, Company Secretary

PRESENTATION

Mukta - Moderator

Good morning, ladies and gentlemen. I am Mukta, the conference coordinator. Welcome to the conference call of Sonata Software Limited. Mr. B. Ramaswamy will be your host today. For the duration of the presentation, all participant lines will be in the listen-only mode. After the presentation, the question and answer session will be conducted for the participants in the conference. Now, I hand over the floor to Mr. B. Ramaswamy.

Thank you and over to you Mr. Ramaswamy.

B. Ramaswamy – President & Managing Director – Sonata Software Limited

Thank you Mukta. Good morning everyone. A warm welcome to the earnings call for the first quarter of FY 2011. I have with me Srikar who is the Chief Operating Officer, Venkat who is the Head of Strategic Risk Management and Finance, Sathya who is the Head of Finance, Praveen who is the Company Secretary and Swati who is in charge of Corporate Marketing and Communications.

The format for this would be that we will cover the business overview first for International Services, TUI InfoTec and SITL, which is the Domestic Operations, separately, followed by financials. I will handle the business overview of International Services and hand it over to Srikar to cover the InfoTec and Domestic Operations. Venkat will then take you through the financial analysis of Q1.

Let me just begin with the International Services. I think this was a very good quarter as far as revenue growth, client wins and pipeline are concerned. Challenges of

course were Europe as geography, currency volatility and the manpower cost pressure. In terms of revenue, we grew 8% year-on-year and 8% quarter-on-quarter in rupee terms. In International Services, in dollar terms, we grew 9% quarter-on-quarter and 14% year-on-year. This is the consolidated International Services. When I say International Services, it is SSL standalone, Sonata Software North America, Sonata Software GmbH and Sonata Middle East.

In terms of geographies, US grew 44% year-on-year and 14% quarter-on-quarter. In Europe, there was a decline of 20%, it was minus 20% year-on-year and minus 13% quarter-on-quarter, rest of the world grew 48% year-on-year; there was a marginal decline of about 8% sequentially. In terms of business segments, OPD had a share of about 41% this quarter. In fact OPD was one of the key drivers for our growth both in the US and in an overall sense. TTL which had a 42% share last year same quarter was about 53% in the first quarter this year.

Others were more or less the same; it was 30% last year and now 26%. What I have covered is a very high level view of our International Services business. Let me now hand it over to Srikar to cover the InfoTec as well as Domestic SITL operations.

Srikar Reddy – Director & COO – Sonata Software Limited

Good morning everybody. Welcome to the call. I will briefly cover the important strategies for TUI InfoTec and the focus areas in the Domestic Business. The TUI InfoTec business as you all know has got really three parts to it: one is the TUI internal business, business from the DAK market, that is the German-speaking market and the third is the effort we are putting in to leverage the IP and solutions which TUI InfoTec has for the worldwide travel and tourism market.

As you all know, in TUI business, there is a continuous pressure to reduce the cost of services which we have been doing in the past by moving more work offshore and reducing the onsite contractors, so we continue to do that in terms of finding cost reductions wherever possible both in the material cost and labor cost. We do not replace onsite resources who resign so you generally see there is a general reduction of resources on site. The TUI group itself after their merger with First Choice is now trying to consolidate into one company, so there are certain consolidation opportunities now emerging where I think there are opportunities for TUI Infotec to see further business within the TUI group. The German market, overall, as you all know because of the crises and so on has become more sluggish in the last few quarters. Now, we do see certain opportunities emerging but these are all slightly long lead-time and hopefully should give results in the next three to four quarters. The third part of working very closely with the TUI InfoTec IP and solutions is showing some traction. We have got some very interesting opportunities worldwide, both in the US and the Middle East markets.



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With regards to the Domestic Business, we continue our focus on moving it as a more value added kind of business with greater focus on services which is mainly driven by the alliances we have with big players like SAP, Oracle, Microsoft, IBM. There are two parts to the business, one is ERP and the other is allied implementation services. We have seen good traction in that with a couple of good wins in the last quarter and on the services front we have really focused on collaboration that we have with Microsoft and e-commerce services with IBM and testing services with HP and that continues to show promise as we go forward. I will now hand over to Venkat to take you through the financials. Thank you.

N. Venkatraman - Head - Strategic Finance and Risk Management – Sonata Software Limited

Thank you Srikar, this is Venkat here. The results for the quarter ended June 30, was published on June 20. Detailed analysis by segment is available on our website. What I will now attempt is to give you a quick overview of the same.

As has been the practice in our last two quarters, I will take you through the consolidated financials and analyze the results by three business segments. The first aspect of our business is International IT Services, which like BR explained, includes Sonata and its subsidiaries. The second business line is the domestic products and services, which is largely done through Sonata Information Technology Limited (SITL) a 100% subsidiary of Sonata, and the third business line is the joint venture with TUI AG, which is based out of Germany. It is a 50.1% joint venture between Sonata and TUI AG, the European travel and holiday major.

Coming to our financials, our consolidated PAT for the quarter was Rs.18.23 Crores; it has shown a growth of 3% on a year-on-year basis whereas sequentially we have dropped 3%. This is mainly on account of drop in Other Income. I will cover this as we go by each segment.

Our operating margin on a consolidated basis was Rs.36 Crores. It has shown a growth of negative 3% on a year-on-year basis whereas on a sequential basis we have grown 11%.

Consolidated revenues were Rs.333 Crores; it was down 12% year-on-year whereas on a sequential basis, it was up 4%, but on revenue to understand the exact nuances of the growth and de-growth, we will have to go through each business segment, which I will take you through.

Earnings per share on an annualized basis were Rs.6.92, which is a growth of 3% on a year-on-year basis.

We ended the quarter with consolidated net cash balance of Rs.107 Crores on our books. International Services had a large part of this cash which is about

Rs.72 Crores, the Domestic Business had about Rs.18 Crores and TUI had Rs.62 Crores. We have short-term working capital arrangement of about Rs.45 Crores, net of which is Rs.107 Crores which we have in our books.

In fact, the highlight for this quarter is Sonata standalone, we have generated free cash flows of Rs.19.5 Crores which is one of the highest in the last four quarters.

Consolidated manpower of the Sonata Group stands at 2835.

Now I will take you through the International Services business segment. For the quarter, International Services contributed 21% of the consolidated revenue, but when it comes to PAT it contributed 78% of the PAT. This shows you the importance of this business on an overall basis. Revenues in this business for the quarter was Rs.71 Crores versus Rs.65 Crores a year ago showing a growth of 8% on a year-on-year basis and a similar 8% on a sequential basis as well. If you just do a comparison of our International Business in constant currency of US dollar, year-on-year growth was 14% and quarter-on-quarter was 9%. This actually reflects in the volume growth that we had over the quarters.

Operating margin in this business was Rs.17 Crores versus Rs.16 Crores a year ago, again showing a growth of 8% on a year-on-year basis and 16% on a sequential basis. One should bear in mind that the operating margin here bears the impact of salary increase of close to 12% for our staff. However most part of this increase has been offset by the favorable movement in foreign exchange and better staff utilization, so that is how on a net basis we are up.

PAT stands at Rs.14.2 Crores in this business, which is a 4% growth on a year-on-year basis and on a sequential basis, it was a decline of 10%. The decline is primarily due to the reason that in the last quarter we had an interest on income tax refund of about Rs.2.5 Crores, which if adjusted for this and the forex loss on restatement of bank balances in Sonata Europe, our actual quarterly profits have actually shown a sequential increase.

On the debtor's part our DSO was 84 days compared to 88 days in the previous quarter, again this is a focused area for us as has been the previous quarters.

We have added nine new clients

As explained earlier our employee utilization in this business is at about 77%, which is higher than the 74% that we had in the last quarter.

Our closing head count was 2,247 in IT services, compared to 2,205 in the last quarter, which was a net addition of 42 people.

On the Domestic Business, our second business segment, we carry this through Sonata Information Technology Limited our 100% subsidiary. For the



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quarter, this business has shown improvement in profitability. As we have consistently been saying the focus here is profitability and de-risk the business in the terms of bad debts and improvement of working capital utilization.

For the quarter this business contributed 41% of our consolidated revenues and 15% of the consolidated profits.

Revenues in this business for the quarter were 135 Crores showing a drop of 16% on a year-on-year basis whereas sequentially they have grown by 20%. Despite a drop in revenues, profit after tax for the quarter has shown a healthy growth and was Rs.2.69 Crores; a growth of 74% on a YOY basis and 6% on a sequential basis.

As explained earlier, the focus is to continue improving the services element in the Domestic Business and that is what we will focus on in the coming quarters.

Domestic Business is all about working capital management and maintaining healthy return on capital employed. For the quarter our DSO was 64 days, which shows that it is well under control and return on capital employed was 22%, which is far ahead of the cost of capital that we employ in the business.

In this business, we ended the quarter with a head count of 144.

Now I will cover the last leg of our business segment, which is TUI InfoTec, our joint venture with TUI AG. TUI InfoTec is a dominant IT services provider to the TUI Group AG. 50.1% of shares in the JV was acquired by Sonata in 2006 for about 18 million Euros. Our International Services business, which I talked about earlier, does the offshore work for TUI InfoTec. So when we talk about business segment results we have removed the intersegment transfers between TUI InfoTec and Sonata Software.

On the financial, TUI InfoTec had revenues of Rs.128 Crores for the quarter, a drop of 16% on a YOY basis and a similar drop of 10% on a sequential basis. The drop is primarily on account of volume reduction in terms of work that we do for TUI Group. PAT for the quarter of TUI InfoTec was Rs. 5.36 Crores showing a growth of 3%, despite a drop in top-line. Sequential growth was again at 5%.

Post minority interest and intersegment adjustments with International Services as covered earlier, our share of profits, was Rs.1.38 Crores compared to Rs.2.55 Crores in the same quarter last year and Rs.52 Lakhs in the immediately preceding quarter.

TUI InfoTec ended the quarter with a head account of 444 compared to 452 in the previous quarter.

Thanks for hearing me out patiently and we will now open this floor for questions.

Mukta - Moderator

We will now begin the question and answer interactive session for the participants connected to the audio conference service from Airtel. Participants who wish to ask questions may please press “*” and “1” on their touchtone-enabled telephone keypad. On pressing “*” and “1” participants will get a chance to present their questions on a first-in-line basis. To ask a question, please press “*” and “1” now. The first question comes from Mr. Harsh Jain from Microsec Capital, Kolkata. Mr. Jain, you may ask your question now.

Harsh Jain – Microsec Capital - Kolkata

My question is the sales declined in all the four quarters during FY 2010, is this an area of concern and what is the strategy of the company to overcome this?

N. Venkatraman - Head - Strategic Finance and Risk Management – Sonata Software Limited

See, some of it is planned, for example the TUI InfoTec sales, rationalization of services, etc., is a planned effort and also the domestic decrease in sale is a part of containing risk which is attributable to the trading business which we have, but if you see the International Services it has remained flat for a few quarters but it has grown in certain quarter, but if you see this quarter, as I explained to you in terms of dollar terms, we grew 14% year-on-year, 9% sequentially, so the focus is on growing International Services in terms of top-line. In other two segments the focus is on purely operating margins and profitability.

Mukta - Moderator

The next question comes from Mr. Kamal Bohra from IDC India, Delhi. Mr. Bohra, you may ask your question now.

Kamal Bohra – IDC India - Delhi

Sir, as we see there are lots of services in IT service, a new landscape is coming up in Indian domestic market. So what are the focus areas for you for the last half, if you just look at the last half of 2010 what is the focus area in the coming quarters?

Srikar Reddy – Director and COO – Sonata Software Limited

The focus as I said, one is on the ERP implementation, we implement SAP, Oracle, Microsoft etc., each of them are focused on different verticals and we are focused on three core services which is the Microsoft technology based services in terms of the collaboration



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and the PI and the (indiscernible) so on and so forth and provide services around existing IT infrastructure and companies. With IBM we are working with their e-commerce platform for people who are now moving to the second generation internet commerce, there the volumes are going up, we are working with them and working on those services and with HP we are working on providing testing services around the HP platform.

Kamal Bohra – IDC India - Delhi

I just wanted to know what the services engagements are when you are providing services in the areas of managed services or system integration or data center kind of services that you provide. I wanted to know the kind of engagement you are having with the customers?

B. Ramaswamy - President & Managing Director - Sonata Software Limited

The kind of engagement with the customers is the kind customers today are typically having for example two kinds of business problems, one is that they have invested a lot in IT infrastructure, core level ERP, now they are trying to leverage with infrastructure to get maximum value add with the existing infrastructure, so we are providing using the partner technology solutions around these to solve these problems of the customer. The second I said was customers are now moving to phase II of the e-commerce business where the volumes are going up anything utmost scalable higher in platforms, so we are delivering solutions to customers in these platforms and there are customers for whom we are providing these kind of services, I cannot give the names right now.

Mukta - Moderator

Thank you sir. I request the participants who wish to ask questions may please press "*" "1". The next question comes from Mr. Varun Gonika from J M Financial, Mumbai. Mr. Gonika, you may ask your question now.

Varun Gonika - J M Financial - Mumbai

Good morning sir, I just want to confirm the cash level and what is the plan to deploy that?

Srikanth Reddy – Director & COO – Sonata Software Limited

Cash on a net basis is Rs.107 Crores, which is on consolidated books that we have. Around Rs.72 Crores of net bases are adjusted for working capital. Now I will tell you the gross amounts, we have got Rs.72 Crores of that in international services. I think in India in Sonata Software Limited we have about Rs.58 Crores and

about Rs.11 Crores in Sonata Europe, so that accounts to Rs. 63 lakhs largely the last part of cash in our business. The domestic business which is said to have Rs.18 Crores of cash and TUI on its book has Rs.62 Crores of cash. The working capital borrowings that we have mainly in Sonata Information Technology, this is for the domestic business and TUI is about Rs.45 Crores. So, on a net basis we have got Rs.,107 Crores of cash.

Varun Gonika - J M Financial - Mumbai

You have deployed for the cash?

Srikanth Reddy – Director & COO – Sonata Software Limited

I will open it for Mr. Ramaswamy.

B Ramaswamy-President and Managing Director-Sonata Software Limited

As far as the plan for this cash goes one is obviously the in-house of investments in terms of our own growth. We are investing mainly in the new facilities in SEZ both in Bangalore and going forward in Hyderabad. That is the one requirement for this cash. The second is obviously the dividend policy that we have which is up to 40% is our dividend payout policy and we have been paying at around 50%. Anyway these Rs.107 Crores that we have is after paying to the dividend consistently. Third is definitely our focus is on cash generation and we have generated about Rs.20 Crores of Sonata Software in standalone itself in last quarter, so going forward I think our focus is to look at strategic inorganic growth and we are actively scouting for best opportunities.

Varun Gonika - J M Financial - Mumbai

Could you give me a perspective of the investment there and what kind of incremental sales that can be expected from them?

B Ramaswamy-President and Managing Director-Sonata Software Limited

We have contracted for a space of about 100,000 sq. feet in SEZ. We have taken up eight floors in that tower and one plus three are completed so that at least about 50% are done in terms spread outs and sort of networking and so on and so forth, so you have another 50% to go. In Hyderabad, we have a land of 8 acres which have been paid for and now after a lot of initial troubles in terms of land possession and so on and so forth which was faced by the other 8 allottees also, we now have a clear title to the land and where we have planned to have our own facility.



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Varun Gonika - J M Financial - Mumbai

Sir, when do the numbers part kick-in?

B Ramaswamy-President and Managing Director-Sonata Software Limited

Also the progress is in the sense we might do one task and then do progressive spread outs. We would not do big bang 2500 people facility at one go.

Varun Gonika - J M Financial - Mumbai

Sure sir. Thank you sir. That will be okay.

Mukta - Moderator

Thank you sir. The next question comes from Mr. Mohit Aggarwal from Equirus Capital, Bangalore. Mr. Aggarwal you may ask your question now.

Mohit Aggarwal - Equirus Capital - Bangalore

Yes, congratulations for good set of numbers. I wanted to focus on the TUI InfoTec business, from the number it seems that it declining and do you contribute this decline to the European prices that we have or is it structurally expected in the business?

B Ramaswamy-President and Managing Director-Sonata Software Limited

One part of it when you see is in rupee terms and attributable to the currency situation because one year ago the Euro was it about 69, 70 if I am not mistaken and not it is about 59 or 55 in last quarter. So the numbers are also because of the reflection of this so-called rupee appreciation. The other thing is if you are talking about operating margin it has consistently improved over the last 12 quarters on since we had invested. The whole focus there has been in terms of there is certain amount of business that we are doing captive TUI company and we need to do it more profitably and that is what we have been doing and that is being greatly achieved, but what we have not been able to in sort of make a significant headway at a speed at which we wanted to or we would have liked to is in the external market or the third party business. While there are let us say sort of you can say that one is the Europe and more specifically Germany is prone to a very slow and sluggish risk space of embracing offshore and the current economic situation in the short-term has induced a much more fortunate delay but we see that there is a pipeline which has sort of wiped building up quite nicely which also shows that once the medium term or short term issues are resolved may be

the offshore sort of push will be much faster even from these European and German speaking regions that we are talking about, so the key thing is to manage to TUI InfoTec captive business more profitability and sort of push for external business and I think is the key strategy that we are focusing as far as TUI InfoTec is concerned.

Mohit Aggarwal - Equirus Capital - Bangalore

Just another follow on question on the overall business, where do you see your growth coming in the next two to three years, which this part of business or geography or the service line you think will contribute to your growth?

B Ramaswamy-President and Managing Director-Sonata Software Limited

Definitely if the current growth momentum is maintained, US will contribute to our growth and geography but because it happens to be the largest and we have a small base, there is no doubt about that. Middle East and sort of operations I think should be another growth driver, travel vertical should be a key growth driver, OPD I know sort of very presently surprised at the kind of momentum and traction that we are seeing basically I think it is because of the fact that people have been you know for a while keeping quite in terms of their own spend and suddenly realize that look they cannot be in all sort of left behind in its innovation cycle. They have to innovate, they have to invest and they know sort of keep up or sort of keep ahead of the competition. So that I think is driving what is called the spends in the OPD sector and hopefully that should continue provided nothing sort of very, very major sort of things like the double dip etc., etc., which people are talking about materializes if the things business as usual from now on I think we will bet on OPD very, very heavily.

Mohit Aggarwal - Equirus Capital - Bangalore

Sure thanks for taking my questions.

B Ramaswamy-President and Managing Director-Sonata Software Limited

Thanks Mohit.

Mukta - Moderator

Thank you sir. The next question comes from Mr. Roshan Jain from Way2Wealth Securities, Mumbai. Mr. Jain, you may ask your question now.

Roshan Jain - Way2Wealth Securities - Mumbai



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Hello, sir I just wanted to confirm the attrition rate?

B Ramaswamy-President and Managing Director-Sonata Software Limited

We had about 16% in terms of voluntary attrition.

Roshan Jain - Way2Wealth Securities - Mumbai

16% right and your employee cost as percentage of sales were down after doing a hike of 12%?

B Ramaswamy-President and Managing Director-Sonata Software Limited

You are talking about employee cost in the consolidated basis or standalone?

Roshan Jain - Way2Wealth Securities - Mumbai

Standalone basis also quarter-on-quarter basis was down, from last quarter it was down.

B Ramaswamy-President and Managing Director-Sonata Software Limited

As a percentage of sales?

Roshan Jain - Way2Wealth Securities - Mumbai

Yes.

B Ramaswamy-President and Managing Director-Sonata Software Limited

We will give you the numbers. Mr. Jain, what you state does not seem to be right. We will give you the numbers by segments.

Roshan Jain - Way2Wealth Securities - Mumbai

Okay not a problem. Thanks sir.

Mukta - Moderator

Thank you sir. The next question comes from Mr. Trisha Poddar from Jetage Securities, Kolkata. Mr. Poddar you may ask your question now.

Trisha Poddar - Jetage Securities - Kolkata

I just wanted to know I missed the comment on what has exactly lead to the volume production in TUI from the TUI group. So I just wanted some color on that?

B Ramaswamy-President and Managing Director-Sonata Software Limited

The main reason is that they have two principle businesses. As Venkat said majority of it is IT operation which contributes almost 60%-65% of the total. IT operations comprises of things like tech support, hosting of data centers including mainframe, Unix servers etc, and the network. Now as you know quite of the revenue in IT Operations is passed through. For example, in the case of desktops they would buy it from a vendor and charge a certain fee per month for use of desktops, like a €50 a month to the end user. Both the cost of the desktop and the chargeback goes through the TUI InfoTec books. In the case of networks, they buy it from vendors such as T-Systems or British Telecom at say €50 million and then pass this through to the end user with a small handling fee. . What we are trying to do is rationalize these pass through costs. When the Group rationalize these costs and consolidate vendors, these pass through revenues sometimes move away from our books .

Trisha Poddar - Jetage Securities - Kolkata

What is the exact volume reduction if you can just say the number to it?

B Ramaswamy-President and Managing Director-Sonata Software Limited

It is difficult to talk about an exact number for the volume reduction. If you are asking if any services have been terminated or reduced etc., it could be marginal; it could be about 5%-10% not more. On the software services yes there has been reduction in volumes that is basically because they are also very serious about cost cutting etc., so discretionary projects have been put on hold for over the past several months so to that extent there has been a reduction.

Trisha Poddar - Jetage Securities - Kolkata

So how do we see this panning going forward, do we see volumes actually settling down at the low levels or do we see further volume increases once things improve?

B Ramaswamy-President and Managing Director-Sonata Software Limited

No in case of TUI InfoTec very clearly we do not see a volume increase. That is basically because they are also doing multiple strategies in terms of sort of restructuring their own IT, today they have a very strong, very large Mainframe application which they run



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for the reservation systems. They are moving away from the so-called in-house be-spoke application which is consuming large volumes of MIPS for running it, to a product which is running on UNIX. This migration is a multi-year project and over the next two to three years they are going to sponsor this application and go on to a UNIX based platform. So there will be a certain element of turnover, which will disappear from TUI InfoTec, which is hosting Mainframe as it will be replaced by UNIX..

Trisha Poddar - Jetage Securities - Kolkata

Since Europe has been a big geography for us and we have seen (indiscernible) in Europe so what is your outlook on Europe going forward and how do you see this shaping up?

B Ramaswamy-President and Managing Director-Sonata Software Limited

I heard your last part of the question, but the beginning comment I did not hear about Europe, what did you say, could you repeat that please?

Trisha Poddar - Jetage Securities - Kolkata

Europe is a big sector for us and Europe basically has been facing a lot of headwinds, so I just wanted to know what is our outlook and how do we see this market for us like going forward?

B Ramaswamy-President and Managing Director-Sonata Software Limited

We have taken the hit as far as the current situation is concerned. We have already seen the decline both in previous quarters as well as this quarter. From now on I think this going to either stabilize or improve. But the timeframe is something that we are now looking at. In the medium term definitely having built our capabilities and being in the German market for quite long, we have a clear differentiation there in terms of outsourcing and offshoring. We will continue to focus on the same. . On an overall basis, it is difficult to say whether the situation will improve in the next quarter or the quarter after that. , However, our pipeline indicates that there is a significant change in the mindset of customers over there.

Trisha Poddar - Jetage Securities - Kolkata

Are you seeing any further decline from now on?

B Ramaswamy-President and Managing Director-Sonata Software Limited

Non-TUI InfoTec business is what you saying? I do not see any further decline on TUI business.

Trisha Poddar - Jetage Securities - Kolkata

Any outlook on pricing in this region or pricing as a whole, are you seeing any pricing declines or pressures on pricing from European client?

B Ramaswamy-President and Managing Director-Sonata Software Limited

No not really. Because I do not think they have the pricing power, at least for our set of vendors.

Trisha Poddar - Jetage Securities - Kolkata

What is the current hedge position in Euros and at what rate?

B Ramaswamy-President and Managing Director-Sonata Software Limited

Venkat. Current hedge in Euro at what rate? I remember the rate, but I do not remember the volume Our hedge rate is at about 67-68.

Trisha Poddar - Jetage Securities - Kolkata

For next three to four quarters?

N. Venkatraman - Head - Strategic Finance and Risk Management - Sonata Software Limited

We have hedged for the next six quarters in terms of Euros. Our average rate is in the range of 67 to 69 average. Percentage coverage for Euro is 100% of estimated cash inflows. .

Trisha Poddar - Jetage Securities - Kolkata

In US?

B Ramaswamy-President and Managing Director-Sonata Software Limited

In US dollars?

N. Venkatraman - Head - Strategic Finance and Risk Management - Sonata Software Limited

The hedge or forward contract rates that we have for US dollars is at an average of 47. Here also, we are covered to about 90%.



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Trisha Poddar - Jetage Securities - Kolkata

Thank you that are all from my side.

**B Ramaswamy-President and Managing Director-
Sonata Software Limited**

Thanks.

Mukta - Moderator

Thank you madam. Sir at this moment there are no further questions from participants. I now hand over the floor back to Mr. B Ramaswamy for the final remarks.

**B Ramaswamy-President and Managing Director-
Sonata Software Limited**

If there are no questions, thank you very much for participating the call and look forward to your continued interaction with all of you. Thanks.

Mukta - Moderator

Ladies and gentlemen, this concludes the conference call. You may disconnect your lines. Thank you for connecting to audio conference service from Airtel and have a pleasant day.