SONATA SOFTWARE LIMITED

May 21, 2015

To,
The Manager
Market Operations
Bombay Stock Exchange Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

SUB: Compliance of Circular No. CIR/ISD/ 01/2015 dated May 11, 2015 and Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015

Dear Sir/Madam,

In Compliance with Circular No. CIR/ISD/ 01/2015 dated May 11, 2015 and Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, please find herewith a copy of the 'Code of Conduct to regulate, monitor and report Trading by Employees and other Connected Persons' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' formulated and as approved by the Board of Directors of the Company at their meeting held on May 19, 2015.

A copy of 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' will also be published on the official website of the Company.

Request you to kindly take this on record.

Thanking you,

Yours faithfully,

For **Sonata Software Limited**

Priya M Jaswani
Company Secretary

CC to : The National Stock Exchange Ltd - Mumbai

SONATA SOFTWARE LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY EMPLOYEES AND OTHER CONNECTED PERSONS ("Code")

CIN: L72200MH1994PLC082110

(Effective from 15 May 2015)



For SONATA SOFTWARE LIMITED

Priya Manoj Jeswani
Company Secretary

PREAMBLE

As a part of Sonata Software Limited's (the "**Company**" or "**Sonata**") continuing commitment to transparency, this Code has been framed with a view to preserve confidentiality of unpublished price sensitive information, prevent misuse of such information while trading in Company's securities and ensure fairness in dealing with all stakeholders. It is applicable to all Insiders (as defined below) of the Company with respect to trading in Company's securities.

This Code along with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "**Code for Fair Disclosure**"), has been adopted and approved by the board of directors of the Company at its meeting held on 19 May 2015 and is effective from 15 May 2015. This Code is in accordance with the Regulations (defined below) laid down by the Securities and Exchange Board of India ("**SEBI**").

1. Definitions

1.1 "**Act**" means the Securities and Exchange Board of India Act, 1992;

1.2 "**Board**" means the board of directors of the Company;

1.3 "**Code**" shall mean this Code of Conduct to Regulate, Monitor and Report Trading by Employees and other Connected Persons;

1.4 "**Companies Act**" means the Companies Act, 2013 together with the rules and regulations issued there under and any amendments thereto;

1.5 "**Compliance Officer**" means Company Secretary or such other senior officer of the Company designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of this Code under the overall supervision of the Board;

1.6 "**Connected Person**" means:

(i) any person who is or has during 6 (six) months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company, whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access;

(ii) without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

contrary is established:

(a) an Immediate Relative of connected persons specified in sub-clause (i) above;
(b) a holding company, associate company or subsidiary company of the Company;
(c) an intermediary as specified in Section 12 of the Act or an employee or director thereof;
(d) an investment company, trustee company, asset management company or an employee or director thereof;
(e) an official of a stock exchange or of clearing house or corporation;
(f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof;
(g) a member of the board of directors or an employee, of a public financial institution as defined in section 2(72) of the Companies Act;
(h) an official or an employee of a self-regulatory organization recognised or authorized by SEBI;
(i) a banker of the Company; or
(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a Director of the Company or his Immediate Relative or banker of the Company, has more than 10 (ten) per cent, of the holding or interest;

1.7 "**Designated Person**" means Employees, Directors, Promoters and Connected Persons designated on the basis of their functional role for the purpose of this Code;

1.8 "**Employee(s)**" shall include :

(i) every employee in the HR job grade, Senior Management and above;

(ii) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and

(iii) any other employee as may be determined and informed by the Compliance Officer from time to time;

1.9 "**Director**" means a member of the Board of the Company;

1.10 "**Generally Available Information**" means information that is accessible to the public on a non-discriminatory basis;

1.11 "**Immediate Relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to Trading in Securities;

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

1.12 "**Insider**" means any person who is:

(i) a Designated Person; or

(ii) a Connected Person; or

(iii) in possession of or having access to UPSI;

1.13 "**Key Managerial Personnel**" means a person as defined in Section 2(51) of the Companies Act;

1.14 "**Material Subsidiary**" means a subsidiary of the Company:

(i) in which the investment of the Company exceeds 20 (twenty) per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or

(ii) which has generated 20 (twenty) per cent of the consolidated income of the Company during the previous financial year;

1.15 "**Need to Know**" means-

(i) that UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information; and

(ii) all non-public information directly received by any Employee should immediately be reported to the head of the department;

1.16 "**Promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

1.17 "**Regulations**" shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto;

1.18 "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

1.19 "**Takeover Regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

1.20 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities, and "**trade**" shall be construed accordingly. It is

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Joswani
Company Secretary

clarified that "Trading" shall not be limited to buying, selling or subscribing of any Securities but shall also include pledging etc;

1.21 "**Trading Day**" means a day on which the recognized stock exchanges are open for trading;

1.22 "**Trading Plan**" shall have the meaning assigned to in Clause 6.1;

1.23 "**Trading Window**" shall have the meaning assigned to in Clause 5.1; and

1.24 "**Unpublished Price Sensitive Information**" or "**UPSI**" means any information, relating to the Company (including a Material Subsidiary) or its Securities (listed or proposed to be listed), directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily include but not be restricted to, information relating to the following:

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

(v) changes in Key Managerial Personnel;

(vi) material events in accordance with the listing agreement;

(vii) business plans comprising of targets, cash flows, forecasts, etc;

(viii) monthly flash reports, actual report, estimates, quarterly/annual reports circulated by groups/divisions, consolidations thereof including any extracts or amendments thereof;

(ix) any significant information or decisions affecting pricing, profitability, etc;

(x) gain or loss of a substantial customer or supplier;

(xi) significant changes in shareholding pattern (before they take place);

(xii) any unpublished proposal for public issue of shares, buy-back of securities, issue of bonus/rights shares, private placement, debt offerings, etc;

(xiii) significant litigation exposure with major suppliers, customers, contractors, etc;

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaiswani
Company Secretary

(xiv) new research or product announcements of a significant nature; and

(xv) any significant change in policies, plans or operations of the Company.

1.25 Words and expressions used and not defined in this Code but defined in the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act shall have the meanings respectively assigned to them in those legislations.

2 Communication or procurement of UPSI and Trading by Insiders

2.1 No Insider shall communicate, provide, or allow access to any UPSI, relating to the Company or its Securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

2.2 No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

2.3 All UPSI shall be handled within the Company on a Need to Know basis and no UPSI shall be communicated to any person except in furtherance of a legitimate purpose, performance of duties or discharge of legal obligations. The Board shall in addition, specifically restrict access to such confidential information to only authorized persons and all computer files will have adequate security login and be protected with passwords and firewalls, etc.

2.4 To prevent the misuse of UPSI, the Company will adopt a 'Chinese Wall' policy which separates those departments which routinely have access to UPSI, considered 'inside areas' from those departments which deal with sale/marketing or other departments providing support services, considered 'public areas'. Under this policy:

(i) the Employees in the inside areas will not be allowed to communicate any UPSI to anyone in the public areas;

(ii) the Employees in inside area may be physically separated from the Employees in public area;

(iii) the demarcation of various departments as inside area shall be determined by the Compliance Officer in consultation with the Board; and

(iv) only in exceptional circumstances, will Employees from the public areas be brought 'over the wall' and given UPSI on the basis of Need to Know criteria, under intimation to the Compliance Officer.

2.5 Notwithstanding anything contained in this Code, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jeswani
Company Secretary

(i) entail an obligation to make an open offer under the Takeover Regulations where the Board is of informed opinion that the proposed transaction is in the best interests of the Company;

(ii) not attract the obligation to make an open offer under the Takeover Regulations but where the Board is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least 2 (two) Trading Days prior to the proposed transaction being effected in such form as the Board may determine.

2.6 For purposes of Clause 2.5, the Board shall require parties to execute agreements to ensure confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause 2.5 and shall not otherwise trade in Securities of the Company when in possession of UPSI.

3 Trading when in possession of UPSI

3.1 No Insider shall trade in Securities that are listed on a stock exchange(s) when in possession of UPSI except when the following circumstances can be established:

(i) the transaction is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of Clause 2 and both parties had made a conscious and informed trade decision;

(ii) in the case of non-individual Insiders –

(a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that this Code is not violated and no UPSI was communicated by the individuals possessing the UPSI to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(iii) the trades were pursuant to a Trading Plan set up in accordance with Clause 6 below.

3.2 In the case of Connected Persons, the onus of establishing, that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

4 Pre-clearance of trades

4.1 All Designated Persons and/or their Immediate Relatives shall trade in the Securities of the Company only when the Trading Window is open, provided they obtain pre-trading

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

approval as per the procedure prescribed hereunder and are not in possession of UPSI. No Designated Persons or their Immediate Relatives shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time to time.

4.2 Such pre-trading approval would be necessary, only if the cumulative trading whether in one transaction or a series of transactions in any calendar quarter exceeds: (i) INR 10,00,000 (Rupees Ten Lakhs) (market value); (ii) 10,000 shares; or (iii) 1 (one) per cent of the total shareholding of the Company.

4.3 No Designated Persons and their Immediate Relatives shall take positions in derivative transactions in the Securities of the Company at any time.

4.4 The pre-clearance procedure is set out below:

(i) an application needs to be made to the Compliance Officer, in the format annexed hereto as **Annexure 1**, indicating the nature and date of transaction, proper reason for such transaction and estimated number of Securities that the Designated Person intends to trade in and such other details as may be required by any rule made by the Company in this behalf;

(ii) the application shall be accompanied by an undertaking executed by such Designated Person in favour of the Company in the format annexed hereto as **Annexure 2**;

(iii) the Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same Trading Day but not later than the next Trading Day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection may preferably be conveyed through electronic mail. While considering the application, the Compliance Officer shall have due regard to whether the declaration provided in Annexure 2 is reasonably capable of being rendered inaccurate;

(iv) every approval letter shall be issued in the format annexed hereto as **Annexure 3**. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval;

(v) all Designated Persons shall ensure that they and/or their Immediate Relatives complete execution of every pre-cleared trade in the Company's Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. The Designated Persons shall file within 2 (two) Trading Days of the execution of the trade, the details of such trade, with the Compliance Officer in the format annexed hereto as **Annexure 4**. In case the transaction is not undertaken, a report to that effect shall be filed in the format annexed hereto as **Annexure 4**;

SONATA SO... BANG... 560 0...

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

(vi) if the order is not executed within 7 (seven) Trading Days after the pre-clearance has been granted, the Designated Person and/or his/her Immediate Relatives shall make a fresh application for pre-clearance of trades;

(vii) no Designated Persons and/or their Immediate Relatives shall within 6 (six) months of buying or selling any Securities of the Company, enter into an opposite transaction i.e. sell or buy, as the case may be, any Securities of the Company. If an opposite transaction is executed, inadvertently or otherwise, in violation of this restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act; and

(viii) the Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed.

5 Trading Window

5.1 The period during which Trading in the Company's Securities on the stock exchange(s) is permissible by Designated Persons and/or their Immediate Relatives shall be referred to as the "**Trading Window**". Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for Trading in the Securities of the Company.

5.2 Unless otherwise specified by the Compliance Officer, the Trading Window for Trading in Securities of the Company shall be closed for Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have UPSI.

5.3 The Trading Window shall remain closed from a date that is 7 (seven) days prior to and until forty eight hours after the relevant information are published and become Generally Available Information.

5.4 The Compliance Officer shall intimate the closure of Trading Window to all Designated Persons of the Company and the stock exchange(s) where the Company's Securities are listed and also publish the same on the corporate website.

5.5 In case of Employee Stock Option Plans ("**ESOPs**"), exercise of option may be allowed in the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when Trading window is closed.

5.6 The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc, assisting or advising the Company.

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

SONATA SOFTWARE LIMITED BANGALORE 560 019

6 Trading Plan

6.1 An Insider shall be entitled to formulate a plan for Trading in Securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf (the "**Trading Plan**").

6.2 Such Trading Plan shall:

(i) not entail commencement of Trading on behalf of the Insider earlier than 6 (six) months from the public disclosure of the Trading Plan;

(ii) not entail Trading for the period between the twentieth Trading Day prior to the last day of any financial period for which results are required to be announced by the Company and the second Trading Day after the disclosure of such financial results;

(iii) entail Trading for a period of not less than 12 (twelve) months;

(iv) not entail overlap of any period for which another Trading Plan is already in existence;

(v) set out either the value of trades to be effected or the number of Securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and

(vi) not entail Trading in Securities for market abuse.

6.3 The Compliance Officer shall review the Trading Plan made as above to assess whether it would have any potential for violation of the Regulations and shall be entitled to seek express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Trading Plan as per provisions of this Code.

6.4 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement it, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the Trading Plan.

6.5 However, the implementation of the Trading Plan shall not be commenced, if at the time of its formulation, the Insider is in possession of any UPSI and the said information has not become Generally Available Information at the time of the commencement of implementation. In such event, the commencement of the Trading Plan shall be deferred by the Compliance Officer until such UPSI becomes Generally Available Information. Further, the Insider shall also not be allowed to trade in Securities of the Company, if the date of Trading in Securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

6.6 Upon approval, the Compliance Officer shall notify the Trading Plan to the stock exchanges on which the Securities are listed.

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

SONATA SOFTWARE LIMITED BANGALORE 560 019

7 Disclosure requirements for Trading in Securities

7.1 *Initial Disclosure*

(i) Every Promoter, Key Managerial Personnel and Director of the Company shall, within 30 (thirty) days of the Regulations taking effect, forward to the Company the details of all holdings in Securities of the Company presently held by them in the in the format annexed hereto as **Annexure 5**.

(ii) Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of Securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 (seven) days of such appointment or becoming a Promoter in the format annexed hereto as **Annexure 6**.

7.2 *Continual Disclosure*

(i) Every Promoter, Employee and Director of the Company shall disclose to the Company the number of such Securities acquired or disposed of within 2 (two) Trading Days of such transaction if the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of INR 10,00,000 (Rupees Ten Lakhs) in the format annexed hereto as **Annexure 7**.

(ii) Every Promoter, Key Managerial Personnel, Director and Designated Person of the Company shall disclose annual statements of their holding and the holding of their Immediate Relatives and of any other person for whom such person takes Trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer as on 31 March every year in the format annexed hereto as **Annexure 8**. Such statement shall be submitted by 15 April every year.

(iii) It is clarified that the disclosure of any incremental transactions after any disclosure under sub-clause (i) shall be made when the transactions effected after the prior disclosure cross the threshold specified in sub-clause (i) above.

7.3 *Disclosure by Company to stock exchange(s)*

Within 2 (two) Trading Days of receipt of the disclosure under Clause 7.2 or from becoming aware of such information, the Compliance Officer shall disclose such information received to all stock exchanges on which the Securities of the Company are listed.

7.4 *Disclosures by other Connected Persons*

The Company may, at its discretion require any other Connected Person or class of Connected Persons to make disclosures of holdings and Trading in Securities of the

For SONATA SOFTWARE LIMITED
Priya Manoj Jaiswani
Company Secretary

SONATA SOFTWARE LIMITED BANGALORE 560 019

Company in the format annexed hereto as **Annexure 9** and at such frequency as may be determined by the Board in order to monitor compliance with these Regulations.

7.5 For the purpose of Clause 7:

(i) the disclosures mentioned above are required to be made not only of those executed by the person concerned but also their Immediate Relatives and of other persons for whom the person concerned takes Trading decisions; and

(ii) the disclosures of Trading in Securities shall also include Trading in derivatives of Securities and the traded value of the derivatives shall be taken into account for purposes of this Clause 7.

8 Practice for regulation, monitoring and report on Trading of Securities by Insiders

8.1 The Company has appointed Ms. Priya Manoj Jaswani, Company Secretary of the Company, as the Compliance Officer who shall report to the Board.

8.2 The Company Secretary shall hold the position of the Compliance Officer so long as he/she remains the Company Secretary. In the event of the office of the Company Secretary falling vacant till such time a successor is appointed, the Managing Director and CEO shall, in the interim period act as the Compliance Officer.

8.3 The Compliance Officer shall be responsible for pre-clearing of the trade, monitoring of trades and implementation of this Code under the Board's supervision.

8.4 In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

8.5 The Compliance Officer shall report on Insider Trading to the Board at least at 1 (one) meeting of the Board held in every quarter and also in particular, shall provide reports to the Chairman of the Audit Committee, at least at one meeting of the Audit Committee held during every quarter.

8.6 The Compliance Officer shall assist all Employees in addressing any clarifications regarding the Regulations and this Code and maintaining a record of the Employees and any changes made in the list of Employees.

8.7 The Compliance Officer shall confidentially maintain a list of such Securities as a "restricted list" which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

8.8 Prior to approving any trades, the Compliance Officer may seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI and shall have

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

SONATA SOFTWARE LIMITED BANGALORE 560 019

discretion to validate it.

8.9 The Compliance Officer shall maintain records of all the declarations in the appropriate formats given by the Insiders for a minimum period of 5 (five) years.

9 Penalty

9.1 Every Employee, Director, Promoter and Designated Person shall be individually responsible for complying with the applicable provisions of this Code (including to the extent the provisions hereof are applicable to their Immediate Relatives).

9.2 If an Employee contravenes any of the provisions of this Code, he shall be subject to disciplinary action, which may include wage freeze, suspension, ineligibility for future participation in the Company's stock option plans or termination of employment itself.

9.3 In case any other Insider (other than an Employee) contravenes any of the provisions of this Code:

(i) his services or relationship with the Company may be terminated; and

(ii) the Company may inform SEBI or any other appropriate regulatory authority so that appropriate action may be taken against him.

9.4 Action taken by the Company for violation of the Regulations and the Code against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws, rules and/or regulations.

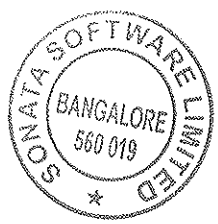
SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

CODE OF PRACTICES AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("Code for Fair Disclosure")

(Effective from 15 May 2015)



For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

Introduction

As a part of the Company's continuing commitment to transparency, this Code for Fair Disclosure has been framed with a view to preserve the confidentiality of unpublished price sensitive information, prevent misuse of such information while trading in Company's securities and ensure fairness in dealing with all stakeholders.

This Code for Fair Disclosure has been adopted and approved by the Board of the Company at its meeting held on 19 May 2015 and is effective from 15 May 2015. This Code for Fair Disclosure is in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**"). Words and terms used in this Code for Fair Disclosure and not defined herein shall have meaning assigned thereto in the Regulations.

Principles of fair disclosure

The principles of fair disclosure adopted by the Company are as follows:

(i) all unpublished price sensitive information will be handled on a need-to-know basis for legitimate purpose;

(ii) to promptly make public disclosure of unpublished price sensitive information that would impact price discovery. Such disclosures are to be made not later than, credible and concrete information comes into being in order to make such information generally available;

(iii) to ensure uniform and universal dissemination of unpublished price sensitive information once the information is ready to be made generally available through stock exchanges and through widely circulated media by avoiding selective disclosure;

(iv) the Company Secretary to act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information unless such other person is nominated for the purpose by the Board or the Managing Director;

(v) the Chief Investor Relations Officer will ensure that when interacting with media and external public, guidelines for disclosure of unpublished price sensitive information are complied with;

(vi) to promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available unless the Company has power to require persons to whom such disclosure was made not to communicate further and as well not to trade in the securities of the Company on the basis of such information;

(vii) to provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities subject to non-disclosure

For SONATA SOFTWARE LIMITED

Priya Manoj Jeswani
Company Secretary

SONATA SOFTWARE LIMITED BANGALORE 560 019

obligations;

(viii) to ensure that information shared with analysts and research personnel is not unpublished price sensitive information;

(ix) to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences available on the official website *'www.sonata-software.com'* to ensure official confirmation and documentation of disclosures made therein and as well provide access to general public; and

(x) as good corporate practice, all unpublished price sensitive information disclosed to the stock exchanges and to the press may also be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosure of unpublished price sensitive information so as to improve investor access to the same.

Disclosure

This Code for Fair Disclosure shall be published on the official website of the Company and every amendment thereto shall be promptly intimated to the Stock Exchange (s) where the securities of the Company are listed and as well updated on the official website of the Company.

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Nitya Manoj Jeswani
Company Secretary

ANNEXURE 1
PRE- TRADING APPROVAL APPLICATION

From

Name :

Emp. Id. :

Reporting to :

To

The Compliance Officer
Sonata Software Limited
1/4, APS Trust Building
Bull Temple Road, N.R. Colony
Bangalore - 560 019

Dear Sir/Madam,

Sub: Application for pre-trading approval in securities of the Company

As per the requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by Employees and other Connected Persons ("**Code**") on prevention of insider trading of the Company, I request you to allow [me/my immediate relative, [•],] to enter into following transaction in the securities of the Company:

Type of Transaction : Buy/Sell

No. of shares :

Date of proposed trading :

Reason for trading :

I confirm that the transaction will be completed within a trading window, which shall be within seven trading days after the approval of pre-clearance is given, failing which I undertake to pre-clear the transaction again. I further confirm that I have read the Code and have made an informed judgment as to my possession of unpublished price-sensitive information. The above is a full and true disclosure in the matter.

Thanking you.

Yours faithfully,

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED
Priya Mansi Dhawani
Company Secretary

Place:
Date:

.....
(Signature of the Applicant)



For SONATA SOFTWARE LIMITED

Niya Manoj Jaswani
Company Secretary

ANNEXURE 2

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE- TRADING APPROVAL

Undertaking

To
Sonata Software Limited,
1/4, APS Trust Building
Bull Temple Road, N.R. Colony
BANGALORE - 560 019

I, [[•], [•] of the Company/the immediate relative of [•], [•] of the Company], residing at [•], am desirous of trading in [•]* securities of the Company as mentioned in my application dated [•] for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (as defined in the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Employees and other Connected Persons ("**Code**")) up to and at the time of signing this undertaking.

In case I have access to or I receive any Unpublished Price Sensitive Information (as defined in the Code) after signing this undertaking but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would, and ensure that my Immediate Relatives would, completely refrain from Trading in the Securities (including derivatives) of the Company till the time such Unpublished Price Sensitive Information becomes generally available.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 (two) trading days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within 7 (seven) trading days of the receipt of approval failing which I shall seek pre-clearance.

I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

I agree to comply with the provisions of the Code and provide any information relating to the trade as may be required by the Compliance Officer and permit the Company to disclose such detail to SEBI, if so required by SEBI.

I declare that I have made full and true disclosure in the matter.

Date:

Signature: _____

*** Indicate number of shares**

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaiswani
Company Secretary

ANNEXURE 3

FORMAT FOR PRE-TRADING APPROVAL LETTER

Date:

Approval no:

To,

Mr. /Mrs. [•]

Emp. Id.:

Designation:

Pre-Trading Approval/Disapproval – Your application dated [•]

Dear Sir/Madam,

With reference to your above application seeking approval for undertaking certain transactions in Securities (including derivatives) of the Company detailed therein, please be informed that [you are / your Immediate Relative, [•],] is hereby [authorised/not authorised] to undertake the transaction(s) as detailed in your said application.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till [•] (i.e., for 7 (seven) trading days from date hereof). If [you / your Immediate Relative, [•]] do(es) not execute the approved transaction/trade on or before this date you would have to seek fresh pre-trading approval before executing any transaction/trade in the Securities (including derivatives) of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 (two) trading days from the date of transaction/trade. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

Compliance Officer
Sonata Software Limited

Encl: Format for submission of details of transaction (Annexure 4)

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

ANNEXURE 4

FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS

[To be submitted within 2 (two) trading days of transaction/Trading in Securities (including derivatives) of the Company]

Date:

To
The Compliance Officer
Sonata Software Limited
1/4, APS Trust Building
Bull Temple Road, N.R. Colony
Bangalore – 560 019

Dear Sir/Madam,

Ref: Details of pre-approved transaction pursuant to approval letter no. [•] dated [•]

I hereby inform you that I / my immediate relative, [•]

- ✓ [have not bought/sold/subscribed any Securities (including derivatives) of the Company
- ✓ have bought/sold/subscribed to the Securities (including derivatives) of the Company as mentioned below on [•]][1]

Name of holder	First or joint holder **	No. of Securities (including derivatives) traded	Bought/Sold/ Subscribed	DP Id/Client Id (electronic form) or Folio no. for physical where the Securities will be debited or credited	Price (INR)

** F - first holder / J - joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 (five) years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note
2. Proof of payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

[1] Please strike out whichever is not applicable

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

I agree not to buy/sell the Securities (including derivatives) for a period of 6 (six) months from the date of the aforesaid transaction (applicable in case of purchase / sale transaction by Designated Persons only).

In case there is any urgent need to sell these Securities (including derivatives) within the said period, I shall approach the Compliance Officer for necessary approval (applicable in case of purchase / subscription).

Yours faithfully,

_____

Name :

Date :

Emp. Id. :

Reporting to :



For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

ANNEXURE 5

FORMAT OF INITIAL DISCLOSURE

[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the Company:

ISIN of the Company:

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of Security (For eg. – Shares, Warrants, Convertible Debentures etc)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6		7	

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:

Designation:

Date:

Place:

For SONATA SOFTWARE LIMITED

Priya Manoj Jeswani
Company Secretary

SONATA SOFTWARE LIMITED BANGALORE 560 019

ANNEXURE 6

FORMAT OF DISCLOSURE BY DIRECTORS, KEY MANAGERIAL PERSONNEL AND PROMOTERS

[Regulation 7 (1) (b) read with Regulation 6(2)]

Name of the Company:

ISIN of the Company:

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of the Company and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Date of appointment of Director/KMP or Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP	
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7		8	

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:

Designation:

Date:

Place:

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

SONATA SOFTWARE LIMITED
BANGALORE
560 019

ANNEXURE 7

FORMAT FOR CONTINUAL DISCLOSURES

[Regulation 7 (2) read with Regulation 6(2)]

Name of the Company:

ISIN of the Company:

Details of change in holding of Securities of Promoter, Employee or Director of the Company and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase/public rights/ preferential offer / off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
												Buy		Sell		
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:

Designation:

Date:
Place:

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

ANNEXURE 8

ANNUAL DISCLOSURES

FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY PROMOTER / KEY MANAGERIAL PERSONNEL /DIRECTOR/ DESIGNATED PERSON AND THEIR IMMEDIATE RELATIVES

Date:

To
The Compliance Officer
Sonata Software Limited
1/4, APS Trust Building
Bull Temple Road, N.R. Colony
Bangalore – 560 019

Dear Sir/Madam,

Ref: Statement of shareholdings in Sonata Software Limited

As on [●], I along with my Immediate Relatives hold the Securities (including derivatives) of the Company, details whereof are as under:

Description of Security:

Name of Holder	Physical Holdings		Electronic Holdings		
	Folio No.	Total Holdings	DP ID	Client ID	Total Holdings

Yours faithfully,

Signature:

Designation:

Date:

Place:

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary

ANNEXURE 9

FORMAT FOR DISCLOSURES BY OTHER CONNECTED PERSONS
[Regulation 7(3)]

Transactions by Other Connected Persons as identified by the Company

Name, PAN No.; CIN/DIN, & address of Connected Persons, as identified by the Company with contact nos.	Connection with the Company	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase/public/ rights/ preferential offer / off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
												Buy		Sell		
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Name:

Signature:

Date:

Place:

SONATA SOFTWARE LIMITED BANGALORE 560 019

For SONATA SOFTWARE LIMITED

Priya Manoj Jaswani
Company Secretary