



SONATA SOFTWARE LIMITED

Dear Shareholders,

Trust you and your loved ones are safe and keeping well.

We are pleased to share with you our first quarterly report for Q1 of FY 2020-21.

We closed Q1 FY 2020-21. These last few months have been unprecedented in the speed of evolution of events and the impact it has had on businesses globally. Our immediate focus was obviously to ensure the employee safety and organise ourselves to deliver services remotely globally with work from home measures implemented effectively. We have been able to move 100% of our work force to work remotely/ from home and been able to create and implement processes to deliver different kinds of services to our clients extremely effectively.

As mentioned last quarter our overall strategy of creating digital enterprises by creating platform through our unique Platformation™ methodology is more relevant in the new normal with more digitization, automation and contactless operations. The results this quarter bear fruit of a successful response and execution of the above strategies with results better than forecasted. We are also glad to report that the acquisitions we made last year Sopris and Scalable have created opportunities in industries like utilities and commodity and Agri based businesses. GBW our latest acquisition is in the customer experience space (CX) is another large emerging opportunity in the digital transformation pace.

We recently concluded our twenty fifth Annual General Meeting (AGM) virtually. We thank you for your participation, continued support and encouragement. Look forward to the same in future.

With Best Wishes,

P Srikar Reddy
Managing Director & CEO

Jagannathan C N
Chief Financial Officer



Quarterly Report to Shareholders – Q1 FY 2020-21

Key Financial Highlights:

Quarter ended June 30, 2020

International Services:

- Revenue at USD 36.5 million (decline of 17.8% q-o-q / decline of 17.7% y-o-y)
- Revenue at INR 275.8 Crore (decline of 15.3% q-o-q / decline of 9.4% y-o-y)
- Net Profit at INR 38.3 Crore (decline of 15.3% q-o-q / decline of 28.3% y-o-y)

Domestic Business:

- Revenue at INR 681.3 Crore (growth of 12.2% q-o-q / growth of 18.7% y-o-y)
- Net Profit at INR 11.6 Crore (decline of 29.8% q-o-q / decline of 15.1% y-o-y)

Consolidated:

- Revenue at INR 952.4 Crore (growth of 2.6% q-o-q / growth of 8.9% y-o-y)
- Net Profit at INR 49.9 Crore (decline of 19.2% q-o-q / decline of 25.6% y-o-y)

Other Highlights:

- 136 active clients as of June 30,2020
- 6 new clients added during the quarter

People:

- 4,111 Sonata headcount as of June 30,2020
- Attrition is at 13.4



Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q1 FY2021	Q4 FY2020	Q1 FY2020	Q-o-Q	Y-o-Y
Revenue	275.8	325.5	304.5	-15.3%	-9.4%
EBITDA	64.7	72.3	84.4	-10.5%	-23.4%
Net Profit	38.3	45.2	53.4	-15.3%	-28.3%

Key Ratios	Q1 FY2021	Q4 FY2020	Q1 FY2020
EBITDA Margin (%)	23.2%	22.2%	27.3%
Effective Tax Rate (%)	26.1%	25.1%	26.5%
Net Profit Margin (%)	13.7%	13.9%	17.3%
ROCE (%)	29.0%	35.0%	38.0%
DSO (Days)	57	47	41

Domestic Business					
(₹ Crore)	Q1 FY2021	Q4 FY2020	Q1 FY2020	Q-o-Q	Y-o-Y
Revenue	681.3	607.0	574.1	12.2%	18.7%
EBITDA	16.9	23.2	22.4	-27.4%	-24.6%
Net Profit	11.6	16.6	13.7	-29.8%	-15.1%

Key Ratios	Q1 FY2021	Q4 FY2020	Q1 FY2020
EBITDA Margin (%)	2.5%	3.8%	3.9%
Effective Tax Rate (%)	26.3%	24.9%	34.9%
Net Profit Margin (%)	1.7%	2.7%	2.4%
ROCE (%)	23.0%	30.0%	27.0%
DSO (Days)	59	52	33



Consolidated					
(₹ Crore)	Q1 FY2021	Q4 FY2020	Q1 FY2020	Q-o-Q	Y-o-Y
Revenue	952.4	928.7	874.6	2.6%	8.9%
EBITDA	81.2	95.2	106.4	-14.7%	-23.7%
Net Profit	49.9	61.8	67.0	-19.2%	-25.6%
EPS* (₹)	4.80	5.95	6.45	-20.3%	-26.8%

*EPS is not annualized

Key Ratios	Q1 FY2021	Q4 FY2020	Q1 FY2020
EBITDA Margin (%)	8.5%	10.2%	12.1%
Effective Tax Rate (%)	26.1%	25.1%	28.4%
Net Profit Margin (%)	5.2%	6.6%	7.6%
ROCE (%)	27.0%	33.0%	35.0%
DSO (Days)	58	50	37



(₹ in lakhs except per share data)					
Extract of unaudited consolidated financial results for the quarter ended June 30, 2020					
Sl No.	Particulars	Quarter ended		Year ended	
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
1	Revenue from operations	95,244	92,868	87,463	374,326
2	Other income	313	1,218	1,678	5,840
3	Total Income (1 + 2)	95,557	94,086	89,141	380,166
4	Expenses				
	(a) Purchase of Stock-in-Trade (Traded goods)	66,541	58,895	55,583	241,579
	(b) Employee benefits expense	14,311	17,011	16,145	66,031
	(c) Finance costs	343	355	382	1,518
	(d) Depreciation and amortisation expense	1,021	923	895	3,654
	(e) Other expenses	6,584	8,659	6,774	29,435
	Total expenses	88,800	85,843	79,779	342,217
5	Profit before tax (3 - 4)	6,757	8,243	9,362	37,949
6	Tax expense				
	(a) Current tax	2,751	2,181	2,486	10,603
	(b) Deferred tax	(986)	(117)	171	(347)
7	Profit for the period (5 - 6)	4,992	6,179	6,705	27,693
8	Other comprehensive income				
	1 (a) Items that will not be reclassified to profit or (loss)	317	(674)	(194)	(865)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	(84)	179	55	232
	2 Items that will be reclassified to profit or (loss)				
	(a) Exchange differences in translating the financial statements of foreign operations	(1,220)	(72)	(461)	323
	(b) Exchange differences on forward cover	868	(1,416)	52	(3,511)
	(c) Income tax relating to items that will be reclassified to profit or (loss)	94	382	102	854
	Total	(25)	(1,601)	(446)	(2,967)
9	Total Comprehensive Income for the period (7 + 8)	4,967	4,578	6,259	24,726
	Of the Total Comprehensive Income above, total comprehensive income attributable to:				
	Owners of the parent	4,967	4,578	6,259	24,726
	Non - controlling interest	-	-	-	-
		4,967	4,578	6,259	24,726
	Of the Total Comprehensive Income above, Profit for the period attributable to:				
	Owners of the parent	4,992	6,179	6,705	27,693
	Non - controlling interest	-	-	-	-
		4,992	6,179	6,705	27,693
	Of the Total Comprehensive Income above, Other Comprehensive Income for the period attributable to:				
	Owners of the parent	(25)	(1,601)	(446)	(2,967)
	Non - controlling interest	-	-	-	-
		(25)	(1,601)	(446)	(2,967)
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,039	1,039
11	Other equity	65,928	65,928	75,787	65,928
12	Earnings per equity share (of ₹ 1/- each)				
	(1) Basic	4.80	5.95	6.45	26.66
	(2) Diluted	4.80	5.95	6.45	26.66



Note: This report is for information purposes. Green Initiative is an effort of the Government of India which aims at reducing paper consumption thereby contributing to a greener environment. In harmony with that we are circulating this over email to shareholders who have updated their e-mail addresses with the Depository Participant

You are requested to update/intimate the email address (E-mail ID) and any change in the email address with the Depository Participant.

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