



SONATA SOFTWARE LIMITED

Dear Shareholders,

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

We are pleased to share with you the quarterly report for Q4 of FY 2021-22.

The results show that we continue to execute well on our goal of enabling our clients to build world class digital enterprises through our unique Platformation™ methodology.

Over the financial year we have continued to invest in and build world class competencies in platform engineering, cloud transformation, data analytics and Microsoft digital platform and aligning them to Platformation™.

To serve our international clients better we have set up global delivery centers in Canada and Ireland.

Our India business has continued to show robust growth with increasing percentage of cloud and digital infrastructure contracts.

We have a comprehensive approach to our human capital. We have initiated a number of initiatives to improve employee training and development, engagement and retention, building up capacity for future growth through new hires and upgrading of existing capabilities. We have increased our near shore delivery presence for different geographical regions.

We are excited to announce the appointment of Samir Dhir as new CEO of the company. Samir joined us in April 2022 and is based in the USA. Board has appointed Samir as Whole-time Director w.e.f. 9th May 2022. He has a very impressive record of scaling up organizations in international services. In addition to Samir, we have invested significantly in attracting senior talent globally in Marketing, Business Development and Delivery, to be announced shortly and during the current year.

With Best Wishes,

P Srikar Reddy
Managing Director

Jagannathan C N
Chief Financial Officer



Quarterly Report to Shareholders – Q4 FY 2021-22

Key Financial Highlights:

Quarter Ended March 31, 2022

International Services:

- Revenue at USD 55.7 million (growth of 4% q-o-q / growth of 27% y-o-y)
- Revenue at INR 413.9 Crore (growth of 5% q-o-q / growth of 30% y-o-y)
- Net Profit at INR 72.4 Crore (growth of 2% q-o-q / growth of 20% y-o-y)

Domestic Business:

- Revenue at INR 1,051.0 Crore (decline of 28% q-o-q / growth of 38% y-o-y)
- Net Profit at INR 28.5 Crore (growth of 8% q-o-q / growth of 26% y-o-y)

Consolidated:

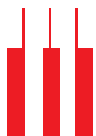
- Revenue at INR 1,463.6 Crore (decline of 21% q-o-q / growth of 36% y-o-y)
- Net Profit at INR 100.9 Crore (growth of 3% q-o-q / growth of 21% y-o-y)

Other Highlights:

- 237 active clients as of March 31, 2022
- 12 new clients added during the quarter

People:

- 5,158 Sonatians as of March 31, 2022



Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q4 FY2022	Q3 FY2022	Q4 FY2021	Q-o-Q	Y-o-Y
Revenue	413.9	395.2	319.0	4.7%	29.8%
EBITDA	113.8	110.5	90.5	3.0%	25.8%
Net Profit	72.4	71.2	60.5	1.7%	19.8%

Key Ratios	Q4 FY2022	Q3 FY2022	Q4 FY2021
EBITDA Margin (%)	27.5%	28.0%	28.4%
Effective Tax Rate (%)	25.7%	24.4%	25.0%
Net Profit Margin (%)	17.5%	18.0%	19.0%
ROCE (%)	37.6%	38.5%	36.3%
DSO (Days)	40	43	36

Domestic Business					
(₹ Crore)	Q4 FY2022	Q3 FY2022	Q4 FY2021	Q-o-Q	Y-o-Y
Revenue	1050.9	1464.2	761.5	-28.2%	38.0%
EBITDA	39.5	36.9	31.8	7.3%	24.4%
Net Profit	28.5	26.4	22.6	7.7%	25.9%

Key Ratios	Q4 FY2022	Q3 FY2022	Q4 FY2021
EBITDA Margin (%)	3.8%	2.5%	4.2%
Effective Tax Rate (%)	25.4%	25.4%	25.5%
Net Profit Margin (%)	2.7%	1.8%	3.0%
ROCE (%)	40.9%	40.8%	32.5%
DSO (Days)	38	33	49

Consolidated					
(₹ Crore)	Q4 FY2022	Q3 FY2022	Q4 FY2021	Q-o-Q	Y-o-Y
Revenue	1463.6	1858.0	1075.7	-21.2%	36.1%
EBITDA	153.1	146.9	122.0	4.2%	25.5%
Net Profit	100.9	97.6	83.1	3.3%	21.4%
Diluted EPS (Rs.)*	9.7	9.4	8.0	3.2%	21.3%

Key Ratios	Q4 FY2022	Q3 FY2022	Q4 FY2021
EBITDA Margin (%)	10.5%	7.9%	11.3%
Effective Tax Rate (%)	25.7%	24.6%	23.8%
Net Profit Margin (%)	6.9%	5.3%	7.7%
ROCE (%)	38.5%	39.1%	35.2%
DSO (Days)	39	38	43

Note:

*EPS is not annualized



₹ in lakhs, except per share data

Extract of consolidated financial results for the quarter and year ended March 31, 2022

Sl No.	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
1	Revenue from operations	1,46,363	1,85,802	1,07,571	5,55,337	4,22,808
2	Other income	4,503	1,527	1,892	10,198	2,775
3	Total Revenue (1 + 2)	1,50,866	1,87,329	1,09,463	5,65,535	4,25,583
4	Expenses					
	(a) Purchases of Stock-in-Trade	1,03,607	1,45,682	74,337	4,02,307	2,99,158
	(b) Employee benefits expense	20,532	18,895	16,800	73,702	62,548
	(c) Finance costs	423	467	355	1,805	1,539
	(d) Depreciation and amortization expense	1,307	1,268	938	4,732	3,957
	(e) Other expenses	11,414	8,058	6,126	32,953	23,167
	Total expenses	1,37,283	1,74,370	98,556	5,15,499	3,90,369
5	Profit before exceptional items and tax (3 - 4)	13,583	12,959	10,907	50,036	35,214
6	Tax expense					
	(1) Current tax	4,692	3,627	2,606	14,547	10,203
	(2) provision for tax relating to prior years	-	-	(83)	-	2,099
	(2) Deferred tax	(1,199)	(435)	78	(2,154)	(1,484)
7	Profit for the period (7 - 8)	10,090	9,767	8,306	37,643	24,396
8	Other comprehensive income					
	1 (a) Items that will not be reclassified to profit or (loss)	(475)	(64)	(985)	(1,111)	(69)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	122	16	245	278	17
	2 Items that will be reclassified to profit or (loss)					
	(a) Exchange differences in translating the financial statements of foreign operations	570	196	216	478	1,040
	(b) Exchange differences on forward cover	(144)	732	(450)	1,166	3,535
	(c) Income tax relating to Items that will be reclassified to profit or (loss)	(114)	(227)	60	(411)	(1,134)
	Total	(41)	653	(914)	400	3,389
9	Total Comprehensive Income for the period (9 + 10)	10,049	10,420	7,392	38,043	27,785
	Of the Total Comprehensive Income above, total comprehensive income attributable to:					
	Non - controlling interest	10,049	10,420	7,392	38,043	27,785
		-	-	-	-	-
		10,049	10,420	7,392	38,043	27,785
	Of the Total Comprehensive Income above, Profit for the period attributable to:					
	Owners of the parent	10,090	9,767	8,306	37,643	24,396
	Non - controlling interest	-	-	-	-	-
		10,090	9,767	8,306	37,643	24,396
	Of the Total Comprehensive Income above, Other Comprehensive Income for the period attributable to:					
	Owners of the parent	(41)	653	(914)	400	3,389
	Non - controlling interest	-	-	-	-	-
		(41)	653	(914)	400	3,389
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,039	1,039	1,039
11	Other equity	1,08,881	89,508	89,508	1,08,881	89,508
12	Earnings per equity share (of ₹ 1/- each)					
	(a) Basic	9.71	9.40	7.99	36.23	23.48
	(b) Diluted	9.70	9.39	7.99	36.21	23.48



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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