



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 2020-21.

The results for the year have shown significant growth quarter on quarter over the year both in revenues and profits across all business operations, geographies, digital services and industry verticals, and indicate that we are now on a path of sustained growth.

This is a clear indication that our overall strategy of building digital enterprises by creating platforms through our unique Platformation™ methodology is more relevant in the current context with greater investments by enterprises in digitization and automation. We have become a much stronger organization in the quality of clients, relationships, and internal investments, in creating world class competencies aligned to Platformation™ across platform engineering, cloud transformation, data analytics and Microsoft Dynamics. We specifically would like to mention the GBW investment we made which is focused on delivering platform based CX (customer experience) which continues to show promise with addition of some marquee clients and adds differentiation to our digital offering.

With clear visibility and growing long term business opportunity, we are focused now on investing for growth, in talent acquisition across the world, building IP and competency development, investing in sustained brand building.

We are also focused currently especially in India to ensure the safety and health of all Sonatians. The company has taken a slew of measures aimed at supporting people like free vaccinations, tie-up with COVID centers, access to medical attention and procurement of oxygen concentrators.

With Best Wishes,

P Srikar Reddy
Managing Director & CEO

Jagannathan C N
Chief Financial Officer



Quarterly Report to Shareholders – Q4 FY 2020-21

Key Financial Highlights:

Quarter Ended March 31, 2021

International Services:

- Revenue at USD 43.8 million (growth of 7.0% q-o-q / decline of 1.2% y-o-y)
- Revenue at INR 319.0 Crore (growth of 6.0% q-o-q / decline of 2.0% y-o-y)
- Net Profit at INR 60.5 Crore (growth of 45.9% q-o-q / growth of 33.7% y-o-y)

Domestic Business:

- Revenue at INR 761.5 Crore (decline of 30.7% q-o-q / growth of 25.4% y-o-y)
- Net Profit at INR 22.6 Crore (growth of 83.0% q-o-q / growth of 36.4% y-o-y)

Consolidated:

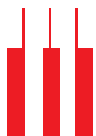
- Revenue at INR 1,075.7 Crore (decline of 23.0% q-o-q / growth of 15.8% y-o-y)
- Net Profit at INR 83.1 Crore (growth of 54.4% q-o-q / growth of 34.5% y-o-y)

Other Highlights:

- 164 active clients as of March 31, 2021
- 10 new clients added during the quarter

People:

- 4,102 Sonatians as of March 31, 2021



Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q4 FY2021	Q3 FY2021	Q4 FY2020	Q-o-Q	Y-o-Y
Revenue	319.0	300.9	325.5	6.0%	-2.0%
EBITDA	90.5	87.1	72.3	3.9%	25.2%
Net Profit	60.5	41.4	45.2	45.9%	33.7%

Key Ratios	Q4 FY2021	Q3 FY2021	Q4 FY2020
EBITDA Margin (%)	28.4%	29.0%	22.2%
Effective Tax Rate (%)	25.0%	23.5%	25.1%
Net Profit Margin (%)	19.0%	19.0%	13.9%
ROCE (%)	36.3%	35.0%	34.8%
DSO (Days)	36	36	47

Domestic Business					
(₹ Crore)	Q4 FY2021	Q3 FY2021	Q4 FY2020	Q-o-Q	Y-o-Y
Revenue	761.5	1099.4	607.0	-30.8%	25.4%
EBITDA	31.8	27.3	23.2	16.4%	37.0%
Net Profit	22.6	12.4	16.6	83.0%	36.4%

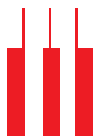
Key Ratios	Q4 FY2021	Q3 FY2021	Q4 FY2020
EBITDA Margin (%)	4.2%	2.5%	3.8%
Effective Tax Rate (%)	25.5%	26.5%	24.9%
Net Profit Margin (%)	3.0%	1.7%	2.7%
ROCE (%)	32.5%	28.0%	30.3%
DSO (Days)	49	57	52

Consolidated					
(₹ Crore)	Q4 FY2021	Q3 FY2021	Q4 FY2020	Q-o-Q	Y-o-Y
Revenue	1075.7	1396.2	928.7	-23.0%	15.8%
EBITDA	122.0	114.2	95.2	6.9%	28.2%
Net Profit	83.1	53.8	61.8	54.4%	34.5%
Diluted EPS (Rs.)*	8.0	5.2	6.0	54.3%	34.3%

Key Ratios	Q4 FY2021	Q3 FY2021	Q4 FY2020
EBITDA Margin (%)	11.3%	8.2%	10.3%
Effective Tax Rate (%)	23.8%	24.1%	25.1%
Net Profit Margin (%)	7.7%	5.4%	6.7%
ROCE (%)	35.2%	33.2%	33.5%
DSO (Days)	43	47	50

Note:

*EPS is not annualized



₹ in lakhs, except per share data

Extract of consolidated financial results for the quarter and year ended March 31, 2021

SI No.	Particulars	Quarter ended			Year ended	
		March 31, 2021	December 31, 2020	March 31, 2020	March 31, 2021	March 31, 2020
1	Revenue from operations	107,571	139,616	92,868	422,808	374,326
2	Other income	1,892	325	1,218	2,775	5,840
3	Total Revenue (1 + 2)	109,463	139,941	94,086	425,583	380,166
4	Expenses					
	(a) Purchases of Stock-in-Trade	74,337	107,549	58,895	299,158	241,579
	(b) Employee benefits expense	16,800	16,516	17,011	62,548	66,031
	(c) Finance costs	355	462	355	1,539	1,518
	(d) Depreciation and amortization expense	938	992	923	3,957	3,654
	(e) Other expenses	6,126	4,459	8,659	23,167	29,435
	Total expenses	98,556	129,978	85,843	390,369	342,217
5	Profit before tax (3 - 4)	10,907	9,963	8,243	35,214	37,949
6	Tax expense					
	(1) Current tax	2,606	2,292	2,181	10,203	10,603
	(2) Provision for tax relating to prior years	(83)	2,183		2,099	
	(3) Deferred tax	78	109	(117)	(1,484)	(347)
7	Profit for the period (5 - 6)	8,306	5,379	6,179	24,396	27,693
8	Other comprehensive income					
	1 (a) Items that will not be reclassified to profit or (loss)	(985)	295	(674)	(69)	(865)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	245	(70)	179	17	232
	2 Items that will be reclassified to profit or (loss)					
	(a) Exchange differences in translating the financial statements of foreign operations and on goodwill reinstatement	216	724	(72)	1,040	323
	(b) Exchange differences on forward cover	(450)	739	(1,416)	3,535	(3,511)
	(c) Income tax relating to Items that will be reclassified to profit or (loss)	60	(346)	382	(1,134)	854
	Total	(914)	1,342	(1,601)	3,389	(2,967)
9	Total Comprehensive Income for the period (7 + 8)	7,392	6,721	4,578	27,785	24,726
	Of the total Comprehensive Income above, total comprehensive income attributable to:					
	Owners of the company	7,392	6,721	4,578	27,785	24,726
	Non - controlling interest	-	-	-	-	-
		7,392	6,721	4,578	27,785	24,726
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,039	1,039	1,039	1,039	1,039
11	Other equity	89,508	65,928	65,928	89,508	65,928
12	Earnings per equity share (of ₹ 1/- each)					
	(a) Basic	7.99	5.18	5.95	23.48	26.66
	(b) Diluted	7.99	5.18	5.95	23.48	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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