



## 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 Q3 of FY 2021-22.

The results are an affirmation that we continue to execute well on our goal of being a strategic partner for our clients in building world class digital enterprises through our unique Platformation™ methodology. Developing world class competencies in digital services like platform engineering, cloud transformation, data analytics and Microsoft digital platform and aligning them to Platformation™ has helped us win and execute enterprise class digital engagements.

We see a continued uptick in the demand situation for digital services with growth in both existing accounts and in our new deal pipeline. In view of super high demand for digital talent we continue to execute on a comprehensive talent plan, comprising a range of initiatives on improving employee engagement and retention, creating capacity in advance, more focus on training and development, and expanding our delivery centres with near shore delivery centres for US and Europe.

Our India business has continued to show robust growth with shift to cloud and digital infrastructure.

With continued clear visibility and business opportunity, we will continue to invest for growth, in talent acquisition and transformation, IP creation, competency, capability development and sales & marketing.

With Best Wishes,

**P Srikar Reddy**  
Managing Director & CEO

**Jagannathan C N**  
Chief Financial Officer



## Quarterly Report to Shareholders – Q3 FY 2021-22

### Key Financial Highlights:

Quarter Ended December 31, 2021

### International Services:

- Revenue at USD 53.41 million (growth of 8.1% q-o-q / growth of 30.4% y-o-y)
- Revenue at INR 395.2 Crore (growth of 9.5% q-o-q / growth of 31.3% y-o-y)
- Net Profit at INR 71.2 Crore (growth of 5.9% q-o-q / growth of 71.8% y-o-y)

### Domestic Business:

- Revenue at INR 1,464.2 Crore (growth of 142 % q-o-q / growth of 33 % y-o-y)
- Net Profit at INR 26.4 Crore (growth of 11% q-o-q / growth of 114%y-o-y)

### Consolidated:

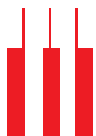
- Revenue at INR 1858.0 Crore (growth of 93% q-o-q / growth of 33% y-o-y)
- Net Profit at INR 97.6 Crore (growth of 7 % q-o-q / growth of 82% y-o-y)

### Other Highlights:

- 225 active clients as of December 31,2021
- 11 new clients added during the quarter

### People:

- 5,025 Sonata headcount as of December 31, 2021



## Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q3 FY2022	Q2 FY2022	Q3 FY2021	Q-o-Q	Y-o-Y
Revenue	395.2	360.8	300.9	9.5%	31.3%
EBITDA	110.5	103.5	87.1	6.8%	26.8%
Net Profit	71.2	67.3	41.4	5.9%	71.9%

Key Ratios	Q3 FY2022	Q2 FY2022	Q3 FY2021
EBITDA Margin (%)	28.0%	28.7%	29.0%
Effective Tax Rate (%)	24.4%	23.8%	23.5%
Net Profit Margin (%)	18.0%	18.6%	13.8%
ROCE (%)	38.5%	37.1%	35.3%
DSO (Days)	43	38	36

Domestic Business					
(₹ Crore)	Q3 FY2022	Q2 FY2022	Q3 FY2021	Q-o-Q	Y-o-Y
Revenue	1464.2	605.5	1099.4	141.8%	33.2%
EBITDA	36.9	33.7	27.3	9.5%	35.0%
Net Profit	26.4	23.9	12.4	10.5%	113.8%

Key Ratios	Q3 FY2022	Q2 FY2022	Q3 FY2021
EBITDA Margin (%)	2.5%	5.6%	2.5%
Effective Tax Rate (%)	25.4%	25.1%	26.5%
Net Profit Margin (%)	1.8%	3.9%	1.7%
ROCE (%)	40.8%	35.1%	28.0%
DSO (Days)	33	32	57

Consolidated					
(₹ Crore)	Q3 FY2022	Q2 FY2022	Q3 FY2021	Q-o-Q	Y-o-Y
Revenue	1858.0	963.2	1396.2	92.9%	33.1%
EBITDA	146.9	136.6	114.2	7.6%	28.7%
Net Profit	97.6	91.2	53.8	7.1%	81.5%
Diluted EPS (Rs.)*	9.4	8.8	5.2	6.4%	80.1%

Key Ratios	Q3 FY2022	Q2 FY2022	Q3 FY2021
EBITDA Margin (%)	7.9%	14.2%	8.2%
Effective Tax Rate (%)	24.6%	24.1%	24.1%
Net Profit Margin (%)	5.3%	9.5%	5.4%
ROCE (%)	39.1%	36.6%	33.2%
DSO (Days)	38	35	47



₹ in lakhs, except per share data

**Extract of unaudited consolidated financial results for the quarter and nine months ended December 31, 2021**

Sl No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	185,802	96,318	139,616	408,974	315,237	422,808
2	Other income	1,527	1,352	325	5,694	882	2,775
3	<b>Total Revenue (1 + 2)</b>	<b>187,329</b>	<b>97,670</b>	<b>139,941</b>	<b>414,668</b>	<b>316,119</b>	<b>425,583</b>
4	<b>Expenses</b>						
	(a) Purchases of Stock-in-Trade	145,682	59,557	107,549	298,700	224,821	299,158
	(b) Employee benefits expense	18,895	17,498	16,516	53,168	45,749	62,548
	(c) Finance costs	467	472	462	1,381	1,183	1,539
	(d) Depreciation and amortization expense	1,268	1,170	992	3,426	3,019	3,957
	(e) Other expenses	8,058	6,957	4,459	21,536	17,040	23,167
	<b>Total expenses</b>	<b>174,370</b>	<b>85,654</b>	<b>129,978</b>	<b>378,211</b>	<b>291,812</b>	<b>390,369</b>
5	<b>Profit before tax (3 - 4)</b>	<b>12,959</b>	<b>12,016</b>	<b>9,963</b>	<b>36,457</b>	<b>24,307</b>	<b>35,214</b>
6	<b>Tax expense</b>						
	(1) Current tax	3,627	3,097	2,292	9,855	7,596	10,203
	(2) Provision/reversal for tax relating to prior years	-	-	2,183	-	2,183	2,099
	(3) Deferred tax	(435)	(198)	109	(955)	(1,562)	(1,484)
7	<b>Profit for the period (5 - 6)</b>	<b>9,767</b>	<b>9,117</b>	<b>5,379</b>	<b>27,557</b>	<b>16,090</b>	<b>24,396</b>
8	<b>Other comprehensive income</b>						
	1 (a) Items that will not be reclassified to profit or (loss)	(64)	(46)	295	(636)	917	(69)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	16	10	(70)	155	(228)	17
	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	196	(400)	724	(92)	824	1,040
	(b) Exchange differences on forward cover	732	732	739	1,310	3,985	3,535
	(c) Income tax relating to Items that will be reclassified to profit or (loss)	(227)	(81)	(346)	(297)	(1,194)	(1,134)
	<b>Total</b>	<b>653</b>	<b>215</b>	<b>1,342</b>	<b>440</b>	<b>4,304</b>	<b>3,389</b>
9	<b>Total Comprehensive Income for the period (7 + 8)</b>	<b>10,420</b>	<b>9,332</b>	<b>6,721</b>	<b>27,997</b>	<b>20,394</b>	<b>27,785</b>
10	<b>Paid-up equity share capital (Face Value ₹ 1/-)</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>
11	<b>Other equity</b>	<b>89,508</b>	<b>89,508</b>	<b>65,928</b>	<b>89,508</b>	<b>65,928</b>	<b>89,508</b>
12	<b>Earnings per equity share (of ₹ 1/- each)</b>						
	(a) Basic	9.40	8.77	5.18	26.52	15.48	23.48
	(b) Diluted	9.39	8.77	5.18	26.50	15.48	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.

*SONATA SOFTWARE LIMITED*  
*(CIN No. L72200MH1994PLC082110)*  
*Registered Office: 208, T V Industrial Estate,*  
*2<sup>nd</sup> Floor, S K Ahire Marg,*  
*Worli, Mumbai – 400 030*

*Corporate Office:*  
*1/4, APS Trust Building, Bull Temple Road,*  
*N.R. Colony, Bengaluru – 560 004*  
*Tel: 91-80-67781999, Fax: 91-80-2661 0972,*  
*E-mail: [investor@sonata-software.com](mailto:investor@sonata-software.com)*  
*Website: [www.sonata-software.com](http://www.sonata-software.com)*