

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 2022-23.

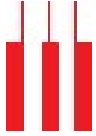
“We are excited to report yet another quarter of Industry-leading growth. Our Rupee Revenue for Q4 FY’23 grew by 9% QoQ (8.6% in Dollar terms). Full-year rupee Revenue grew by 29%. (18.7 % in USD terms). Consolidated PAT for FY’23 grew by 20% YoY. Our modernization-driven solutions enabled three large deal wins, including our largest-ever deal win of \$160M. In addition, we completed the acquisition of Quant Systems in the quarter to strengthen our recently announced incubating BFSI and Healthcare verticals”.

“Our domestic products division had an outstanding year of financial performance. Our Gross Contribution in Q4 FY’23 grew by 2.9% QoQ and 28.8% YoY on full year basis. Our FY’23 PAT grew by 38.7% YoY on full year basis. We are seeing the positive results of our focus on multi-year annuity contract sale to Indian enterprises & corporates. We will continue to prioritize our effort for partnering with our clients in their cloud adoption journeys in order to drive further growth”.

With Best Wishes,

Samir Dhir
Managing Director & CEO
DIN: 03021413

Jagannathan C N
Chief Financial Officer



Quarterly Report to Shareholders – Q4 FY 2022-23

Key Financial Highlights:

Quarter Ended March 31, 2023

International Services:

- Revenue at USD 65.8 million (growth of 9% q-o-q / growth of 18% y-o-y)
- Revenue at INR 533.5 Crore (growth of 9% q-o-q / growth of 29% y-o-y)
- Net Profit at INR 74.8 Crore (decline of 8% q-o-q / growth of 3% y-o-y)

Domestic Business:

- Revenue at INR 1,383.4 Crore (decline of 22% q-o-q / growth of 32% y-o-y)
- Net Profit at INR 39.0 Crore (growth of 8% q-o-q / growth of 37% y-o-y)

Consolidated:

- Revenue at INR 1913.5 Crore (decline of 15% q-o-q / growth of 31% y-o-y)
- Net Profit* at INR 113.8 Crore (decline of 3% q-o-q / growth of 13% y-o-y)

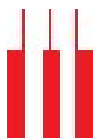
* The Net Profit includes one-time acquisition cost (net of taxes) of INR 13 crores.
The normalized Net Profit for Q4 2023 was INR 126.8 crores

Other Highlights:

- 400+ active clients as of March 31,2023
- 15 new clients added during the quarter

People:

- 6,400+ Sonatians as of March 31,2023



Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q4 FY2023	Q3 FY2023	Q4 FY2022	Q-o-Q	Y-o-Y
Revenue	533.5	489.6	413.9	9.0%	28.9%
EBITDA	123.5	123.2	113.8	0.3%	8.5%
Net Profit	74.8	81.3	72.4	-7.5%	3.3%

Key Ratios	Q4 FY2023	Q3 FY2023	Q4 FY2022
Effective Tax Rate (%)	24.0%	23.9%	25.7%
Net Profit Margin (%)	14.0%	16.6%	17.5%

Domestic Business					
(₹ Crore)	Q4 FY2023	Q3 FY2023	Q4 FY2022	Q-o-Q	Y-o-Y
Revenue	1383.4	1773.4	1050.9	-22.0%	31.6%
EBITDA	54.0	51.7	39.5	4.5%	36.7%
Net Profit	39.0	36.3	28.5	7.4%	36.8%

Key Ratios	Q4 FY2023	Q3 FY2023	Q4 FY2022
Effective Tax Rate (%)	25.1%	25.0%	25.4%
Net Profit Margin (%)	2.8%	2.0%	2.7%

Consolidated					
(₹ Crore)	Q4 FY2023	Q3 FY2023	Q4 FY2022	Q-o-Q	Y-o-Y
Revenue	1913.5	2260.8	1463.6	-15.4%	30.7%
EBITDA	176.7	172.8	153.1	2.3%	15.4%
Net Profit	113.8	117.6	100.9	-3.3%	12.8%
Diluted EPS (Rs.)*	8.2	8.5	7.3	-3.5%	12.3%

Key Ratios	Q4 FY2023	Q3 FY2023	Q4 FY2022
EBITDA Margin (%)	9.1%	7.6%	10.4%
Effective Tax Rate (%)	24.4%	24.3%	25.7%
Net Profit Margin (%)	6.0%	5.2%	6.9%

Note:

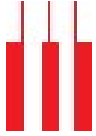
*EPS is not annualized



₹ in lakhs, except per share data

Extract of consolidated financial results for the quarter and year ended March 31, 2023

Sl No.	Particulars	Quarter ended			Year ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
1	Revenue from operations	1,91,350	2,26,078	1,46,363	7,44,912	5,55,337
2	Other income	2,497	1,655	4,503	7,082	10,198
3	Total Revenue (1 + 2)	1,93,847	2,27,733	1,50,866	7,51,994	5,65,535
4	Expenses					
	(a) Purchase of stock-in-trade (traded goods)	1,34,900	1,72,439	1,02,515	5,48,163	4,01,752
	(b) Changes in inventories of Stock-in-Trade	1,173	3,105	1,092	(2,589)	555
	(c) Employee benefits expense	25,679	23,976	20,532	93,311	73,702
	(d) Finance costs	717	385	423	1,854	1,805
	(e) Depreciation and amortization expense	1,892	1,362	1,307	5,913	4,732
	(f) Other expenses	14,438	10,932	11,414	45,614	32,953
	Total expenses	1,78,799	2,12,199	1,37,283	6,92,266	5,15,499
5	Profit before tax (3 - 4)	15,048	15,534	13,583	59,728	50,036
6	Tax expense					
	(1) Current tax	4,435	3,354	4,692	16,709	14,547
	(2) Deferred tax	(764)	414	(1,199)	(2,171)	(2,154)
7	Profit after tax (5 + 6)	11,377	11,766	10,090	45,190	37,643
8	Other comprehensive income					
	1 (a) Remeasurement of the defined benefit plans	(547)	158	(475)	(662)	(1,111)
	(b) Income tax relating to Items that will not be reclassified to profit/(loss)	134	(38)	122	162	278
	2 Items that will be reclassified to profit or (loss)					
	(a) Exchange differences in translating the financial statements of foreign operations	(149)	991	570	873	478
	(b) Fair value changes on derivatives designated as cash flow hedge, net	(51)	(709)	(144)	(3,539)	1,166
	profit/(loss)	43	(59)	(114)	652	(411)
	Total	(570)	343	(41)	(2,514)	400
9	Total Comprehensive Income for the period (7 + 8)	10,807	12,109	10,049	42,676	38,043
	Of the total comprehensive income above, total comprehensive income attributable to:					
	Owners of the parent	10,807	12,109	10,049	42,676	38,043
	Non - controlling interest	-	-	-	-	-
		10,807	12,109	10,049	42,676	38,043
	Of the total comprehensive income above, profit for the period attributable to:					
	Owners of the parent	11,377	11,766	10,090	45,190	37,643
	Non - controlling interest	-	-	-	-	-
		11,377	11,766	10,090	45,190	37,643
	Of the total comprehensive income above, other comprehensive income for the period attributable to:					
	Owners of the parent	(570)	343	(41)	(2,514)	400
	Non - controlling interest	-	-	-	-	-
		(570)	343	(41)	(2,514)	400
10	Paid-up equity share capital (Face Value ₹ 1/-)	1,387	1,387	1,039	1,387	1,039
11	Other equity	1,28,678	1,08,881	1,08,881	1,28,678	1,08,881
12	Earnings per equity share (of ₹ 1/- each)					
	(a) Basic	8.20	8.48	7.28	32.58	27.17
	(b) Diluted	8.20	8.48	7.28	32.58	27.15



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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