



## 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 Q2 of FY 2021-22.

Our overall strategy of building digital enterprises by creating platforms through our unique Platformation™ methodology has continued to drive our growth and differentiate ourselves. We continue to invest in creating a stronger organization with investments, in creating world class competencies aligned to Platformation™.

World class competency development focus has been on digital services like platform engineering, cloud transformation, data analytics and Microsoft digital platform.

We see the demand situation across the board for digital services being very promising with growth in existing accounts and new deal pipeline. In view of super high demand for talent we are executing on a comprehensive talent plan for digital skills, including a range of initiatives on improving employee engagement and retention, creating capacity in advance and expanding our delivery centers with near shore delivery centers for US and Europe.

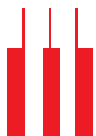
Our India business has continued to show robust growth with shift to cloud and digital infrastructure.

The new acquisitions Encore and GBW show great promise for the future. With continued clear visibility and business opportunity, we stay focused now on investing for long term growth, in talent acquisition and transformation, IP, competency development and sales and marketing.

With Best Wishes,

**P Srikar Reddy**  
Managing Director & CEO

**Jagannathan C N**  
Chief Financial Officer



## Quarterly Report to Shareholders – Q2 FY 2021-22

### Key Financial Highlights:

Quarter Ended September 30, 2021

#### International Services:

- Revenue at USD 49.43 million (growth of 11.1% q-o-q / growth of 26.7% y-o-y)
- Revenue at INR 360.8 Crore (growth of 11.4% q-o-q / growth of 25.2% y-o-y)
- Net Profit at INR 67.3 Crore (growth of 5.5% q-o-q / growth of 54.3% y-o-y)

#### Domestic Business:

- Revenue at INR 605.5 Crore (de-growth of 36.0% q-o-q / growth of 15.8% y-o-y)
- Net Profit at INR 23.9 Crore (growth of 3.9% q-o-q / growth of 75.8% y-o-y)

#### Consolidated:

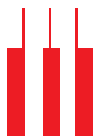
- Revenue at INR 963.2 Crore (de-growth of 24.1% q-o-q / growth of 19.8% y-o-y)
- Net Profit at INR 91.2 Crore (growth of 5.1% q-o-q / growth of 59.4% y-o-y)

#### Other Highlights:

- 214 active clients as of September 30, 2021
- 8 new clients added during the quarter

#### People:

- 4,850 Sonata headcount as of September 30, 2021



## Key Financial Metrics & Ratios

International Business					
(₹ Crore)	Q2 FY2022	Q1 FY2022	Q2 FY2021	Q-o-Q	Y-o-Y
Revenue	360.8	323.9	288.1	11.4%	25.2%
EBITDA	103.5	97.1	70.4	6.5%	46.9%
Net Profit	67.3	63.7	43.6	5.5%	54.3%

Key Ratios	Q2 FY2022	Q1 FY2022	Q2 FY2021
EBITDA Margin (%)	28.7%	30.0%	24.4%
Effective Tax Rate (%)	23.8%	24.0%	24.4%
Net Profit Margin (%)	18.6%	19.7%	15.1%
ROCE (%)	36.8%	37.0%	29.1%
DSO (Days)	38	37	47

Domestic Business					
(₹ Crore)	Q2 FY2022	Q1 FY2022	Q2 FY2021	Q-o-Q	Y-o-Y
Revenue	605.5	946.2	523.5	-36.0%	15.7%
EBITDA	33.7	32.4	19.6	3.9%	71.7%
Net Profit	23.9	23.0	13.6	3.9%	75.8%

Key Ratios	Q2 FY2022	Q1 FY2022	Q2 FY2021
EBITDA Margin (%)	5.6%	3.4%	3.7%
Effective Tax Rate (%)	25.1%	25.8%	25.3%
Net Profit Margin (%)	3.9%	2.4%	2.6%
ROCE (%)	35.1%	32.5%	22.6%
DSO (Days)	32	39	63

Consolidated					
(₹ Crore)	Q2 FY2022	Q1 FY2022	Q2 FY2021	Q-o-Q	Y-o-Y
Revenue	963.2	1268.5	803.8	24.1%	19.8%
EBITDA	136.6	129.1	89.7	5.8%	52.2%
Net Profit	91.2	86.7	57.2	5.1%	59.4%
Diluted EPS (₹)*	8.8	8.3	5.5	0.0%	73.8%

Key Ratios	Q2 FY2022	Q1 FY2022	Q2 FY2021
EBITDA Margin (%)	14.2%	10.2%	11.2%
Effective Tax Rate (%)	24.1%	24.5%	24.6%
Net Profit Margin (%)	9.5%	6.8%	7.1%
ROCE (%)	36.4%	35.6%	27.3%
DSO (Days)	35	38	55

Note: \*EPS is not annualized



₹ in lakhs, except per share data

**Extract of unaudited consolidated financial results for the quarter and six months ended September 30, 2021**

Sl No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	96,318	126,854	80,377	223,172	175,621	422,808
2	Other income	1,352	2,815	244	4,167	557	2,775
3	<b>Total Revenue (1 + 2)</b>	<b>97,670</b>	<b>129,669</b>	<b>80,621</b>	<b>227,339</b>	<b>176,178</b>	<b>425,583</b>
4	<b>Expenses</b>						
	(a) Purchases of Stock-in-Trade	59,557	93,461	50,731	153,018	117,272	299,158
	(b) Employee benefits expense	17,498	16,775	14,922	34,273	29,233	62,548
	(c) Finance costs	472	442	378	914	721	1,539
	(d) Depreciation and amortization expense	1,170	989	1,005	2,159	2,026	3,957
	(e) Other expenses	6,957	6,520	5,996	13,477	12,580	23,167
	<b>Total expenses</b>	<b>85,654</b>	<b>118,187</b>	<b>73,032</b>	<b>203,841</b>	<b>161,832</b>	<b>390,369</b>
5	<b>Profit before tax (3 - 4)</b>	<b>12,016</b>	<b>11,482</b>	<b>7,589</b>	<b>23,498</b>	<b>14,346</b>	<b>35,214</b>
6	<b>Tax expense</b>						
	(1) Current tax	3,097	3,131	2,553	6,228	5,304	10,203
	(2) Provision/reversal for tax relating to prior years	-	-	-	-	-	2,099
	(3) Deferred tax	(198)	(322)	(684)	(520)	(1,670)	(1,484)
7	<b>Profit for the period (5 - 6)</b>	<b>9,117</b>	<b>8,673</b>	<b>5,720</b>	<b>17,790</b>	<b>10,712</b>	<b>24,396</b>
8	<b>Other comprehensive income</b>						
	1 (a) Items that will not be reclassified to profit or (loss)	(46)	(526)	303	(572)	620	(69)
	(b) Income tax relating to items that will not be reclassified to profit or (loss)	10	129	(73)	139	(157)	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	(400)	112	1,320	(288)	100	1,040
	(b) Exchange differences on forward cover	732	(153)	2,378	579	3,246	3,535
	(c) Income tax relating to Items that will be reclassified to profit or (loss)	(81)	10	(942)	(71)	(848)	(1,134)
	<b>Total</b>	<b>215</b>	<b>(428)</b>	<b>2,986</b>	<b>(213)</b>	<b>2,961</b>	<b>3,389</b>
9	<b>Total Comprehensive Income for the period (7 + 8)</b>	<b>9,332</b>	<b>8,245</b>	<b>8,706</b>	<b>17,577</b>	<b>13,673</b>	<b>27,785</b>
	Of the Total Comprehensive Income above, total comprehensive income attributable to:						
	Owners of the parent	9,332	8,245	8,706	17,577	13,673	27,785
		<b>9,332</b>	<b>8,245</b>	<b>8,706</b>	<b>17,577</b>	<b>13,673</b>	<b>27,785</b>
	Of the Total Comprehensive Income above, Profit for the period attributable to:						
	Owners of the parent	9,117	8,673	5,720	17,790	10,712	24,396
		<b>9,117</b>	<b>8,673</b>	<b>5,720</b>	<b>17,790</b>	<b>10,712</b>	<b>24,396</b>
	Of the Total Comprehensive Income above, Other Comprehensive Income for the period attributable to:						
	Owners of the parent	215	(428)	2,986	(213)	2,961	3,389
		<b>215</b>	<b>(428)</b>	<b>2,986</b>	<b>(213)</b>	<b>2,961</b>	<b>3,389</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	8.77	8.35	5.50	17.12	10.31	23.48
	(b) Diluted	8.77	8.34	5.50	17.11	10.31	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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