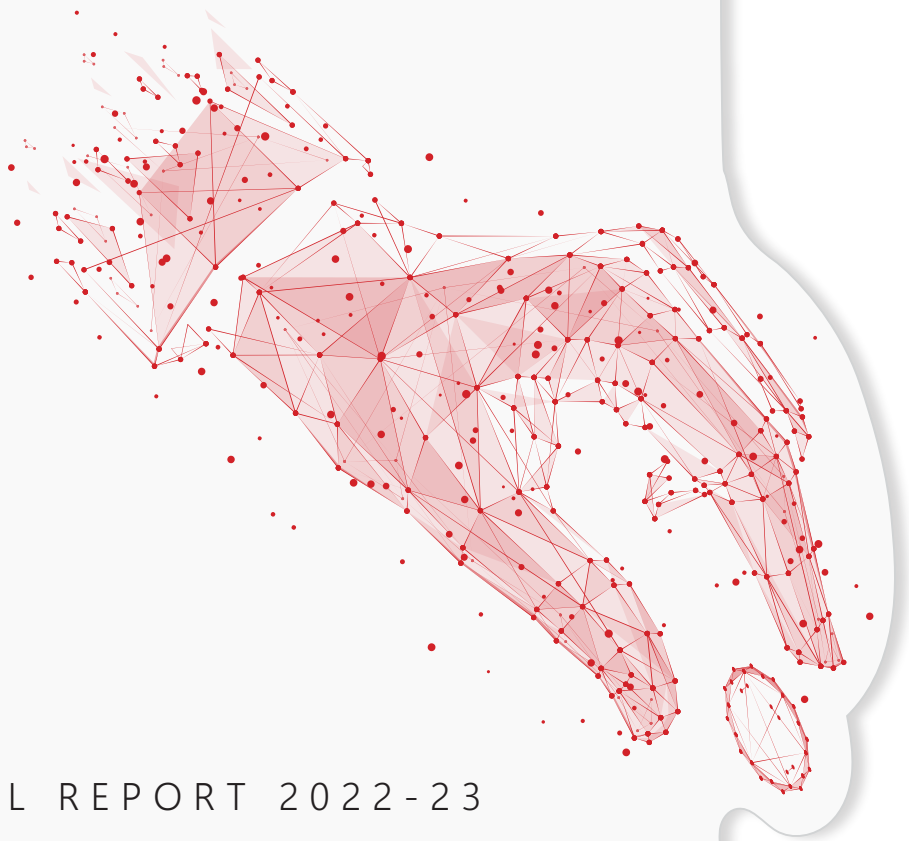


# Seeds of **Modernization-driven Hypergrowth.**



ANNUAL REPORT 2022-23



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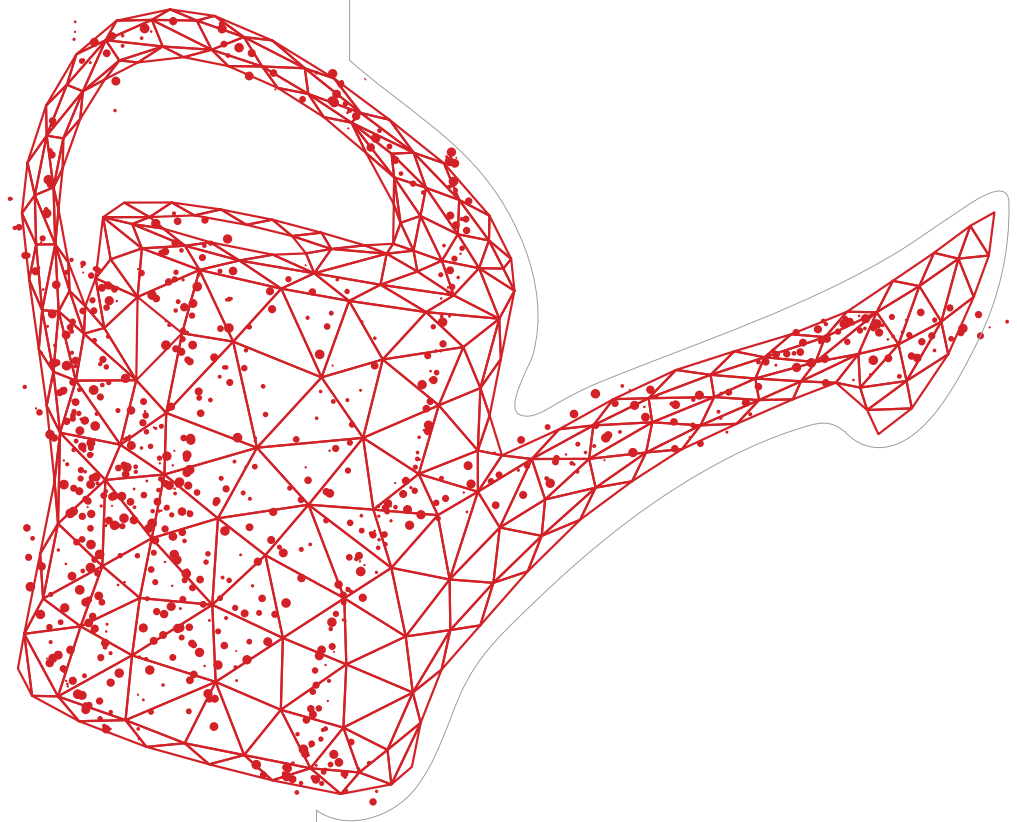
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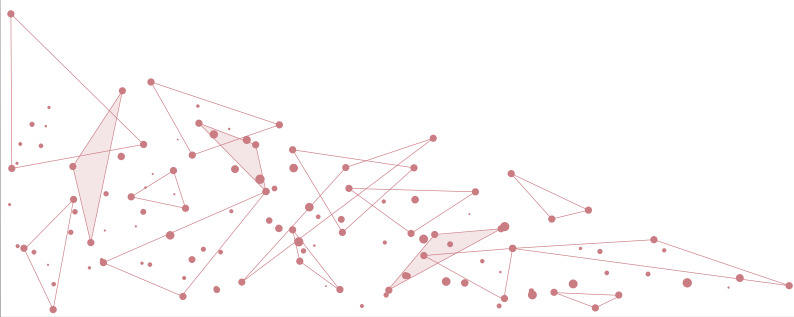
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MEET THE  
LEADERS



Chairman's Message





## Dear Shareholders,

As I reflect on the past fiscal year, I am proud to share that Sonata continues to deliver outstanding value to its clients, employees, communities, and shareholders. We have done this feat over the years consistently.

The past year has been characterized by numerous geopolitical shocks, inflationary pressures, post-COVID readjustments, and cryptocurrency volatility, which have profoundly impacted organizations worldwide. Yet, Sonata has remained agile and adaptable in such a dynamic environment.


During the last fiscal, we successfully implemented a well-thought-out MD & CEO transition plan – as we continue to gain market share, we wanted to make sure this transition is seamless for the firm. Srikar Reddy has now taken the role of Executive Vice Chairman.

I want to thank Srikar for his outstanding services to Sonata over the years. During the year, Samir, our CEO, and his team have continued to deliver on the vision and goals of the firm. We are excited to continue building Sonata as a Modernization Engineering powerhouse in the industry.

We are committed to maintaining our strategic focus and driving growth and expansion. We are investing in our growth by recruiting a seasoned team of leaders and technologists who can drive our business forward, promoting talent from within, and we will continue to seek out strategic opportunities to supplement our organic growth. Our focus on innovation and emerging technologies will continue to be a driving force in our strategy, and we are confident that we can continue to deliver value to our stakeholders.

Our employees are our greatest asset, and we are committed to fostering a culture of innovation and creativity. In the past year, we have taken several initiatives to provide our employees with the tools and resources they need to thrive. These initiatives include investing in training and development programs, providing access to cutting-edge technologies, and encouraging cross-functional collaboration. At Sonata, we have a culture where employees are encouraged to be curious to experiment, and share things they learn. In addition, we believe in cultivating a growth mindset, where personal growth goes hand in hand with organizational development and building a learning culture. These beliefs are the foundation on which we will create the next phase of our story – where we dream big and “Play Big”!





Sonata has been committed to the Environmental, Social, and Governance (ESG) charter. We recognize that our success is tied to the well-being of our stakeholders, including our employees, clients, shareholders, and the communities in which we operate. As a result, we have set up a comprehensive ESG program that includes clear metrics, initiatives, and timelines to achieve those metrics. Our efforts in this area include reducing our carbon footprint, increasing diversity and inclusion, and improving our governance practices. Our commitment to ESG is critical to our long-term success and building a sustainable future for our company and stakeholders.

The future – with opportunities and uncertainties – is not something that any of us can claim to predict. The increased volatility is confronting corporate leaders with complexities and challenges. Sonata is well-positioned to be a trusted navigator for our clients as they seek to create value from technology-led innovation and business transformation. This opportunity gives us great optimism about the future and equally puts great responsibility on us to make that future happen.

I want to thank our stakeholders, clients, partners, and vendors for their continued support. Your support has been instrumental in our success, and we remain committed to delivering innovative solutions that meet your changing needs.

## **Pradip Shah**

Chairman,  
Sonata Software Limited



## CEO's Message

"We are driven by the purpose to enable the next opportunity through modernization for people, businesses and communities."







## Dear Shareholders,

In today's market - there is a unique duality in technology adoption. On one side, extreme focus on cost containment by clients, and on the other, deep motivation to modernize their digital storefronts to attract more consumers and B2B customers.

This duality presents a significant opportunity for Sonata globally based on the deep differentiation we have created in Modernization Engineering powered by our Lightning suite and Platformation™ playbook. In addition, we bring agility and systems thinking to accelerate time to market for our clients.


I'm excited about the opportunity to lead Sonata Software into its next growth phase. I've taken the baton passed to me, and will work hard to make Sonata an IT powerhouse in the future.

FY'23 was a year of transformation for Sonata! We see the benefits of modernization driven hypergrowth. We have set a goal to achieve revenue of \$1.5B (~\$1B from SITL and ~\$0.5B from the International Business) and be in the leader category on Modernization and Great Places to Work in three years, building a mindset to "Play Big."

We started well, and as a team, we won our largest deal ever during the year, TCV of \$160M, to modernize our client's IT estate. In addition, we won eight other large contracts during the year. We successfully integrated Quant Systems into Sonata, our largest acquisition to date. Quant brings deep Enterprise data capabilities, and we added one BFSI and one Healthcare client to our Top 5 client list from the acquisition.

As we bring the "Play Big" mindset, we continue to invest in our business. We invested in key GTMs (Cloud, Data, Dynamics, Managed Services, and Contact Centre) – all focused on Modernization and Automation in our key Markets of the USA, UK, Nordics, India, and ANZ. We strengthened solutions for our key verticals - TMT, Manufacturing-Retail-Travel, BFSI, and Healthcare. We made significant investments in Generative AI capabilities. We continued to build scale across partners (Microsoft, AWS, SFDC, and Snowflake) and win high-quality logos and large deals working with partners. We're investing in global sales and marketing in the USA, Europe, and APAC. We continue strengthening our frontline solution and sales organization to add value to our customers.

All these investments resulted in us delivering industry-leading QoQ growth in the year's second half.



Our efforts are duly recognized, and we received the Microsoft Business Applications 2022/2023 Inner Circle award. We achieved the Microsoft Cloud Solution Partner status by earning all six New Microsoft Solutions Partner Designations. For the second time in a row, we won the Golden Peacock Award for Excellence in Corporate Governance.

We make progress on our ESG goals on both EcoVadis and CDP scores. We invested in our talent transformation by creating a new CTO and Partner org to link all our engineers to technology aligned to technology partners. We launched a continuous learning platform, "SCALE," for all our team members. We implemented a two-in-a-box P&L model to empower and build deeper leadership talent in the firm. We launched the One-Sonata Program to bring synergies between International, Domestic, GBW, and Encore and go to market as One-Company, i.e., One-Sonata. We launched "Sonata Spark" to ignite the entrepreneurial spirit and innovation among Sonatians, which resulted in 146 innovative ideas from our engineering teams. We are building development centers in European and other geographies where we are servicing our clients.

From a service demand indicator perspective, despite some macro concerns that have been talked about in the industry, our outlook remains very strong. We do see some decision delays. But overall, the demand environment remains robust.

My executive team and I will work judiciously to accelerate our growth, build scale, and deliver on our vision to create Sonata as a Modernization Engineering powerhouse. We are excited about the opportunities that lie ahead, and we look forward to continuing to work with you in the future.

## **Samir Dhir**

Managing Director & Chief Executive Officer,  
Sonata Software Limited