



“Sonata Software Limited 25th Annual General Meeting held
through Video Conference”

August 11, 2020



**MANAGEMENT: MR. PRADIP P SHAH – CHAIRMAN OF THE BOARD &
THE AUDIT COMMITTEE.
MR. P SRIKAR REDDY, MANAGING DIRECTOR AND
CEO
MR. SHYAM GHIA, NON-EXECUTIVE DIRECTOR.
MS. RADHIKA RAJAN – INDEPENDENT DIRECTOR.
MR. SANJAY ASHER – INDEPENDENT DIRECTOR.
MS. MANGAL KULKARNI – COMPANY SECRETARY.
MR. JAGANNATHAN CHAKRAVARTHI – CFO.
MR. GURVINDER SINGH – STATUTORY AUDITORS,
DELOITTE HASKINS & SELLS
MR. VIKAS BAGARIA, STATUTORY AUDITORS,
DELOITTE HASKINS & SELLS
MR. PARAMESHWAR BHAT – PRACTICING COMPANY
SECRETARY AND SCRUTINIZER FOR THE AGM**

Mangal Kulkarni:

Hello good evening everyone. Welcome you all to the 25th Annual General Meeting of Sonata Software Limited. Couple of instructions for the shareholders. Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act 2013 and the circulars issued by the Ministry of Corporate Affairs and SEBI.

Facility for joining this meeting through video conference or other audio video visual means is made available for the members on a first-come-first serve basis. All the members who have joined the meeting are by default placed on mute by the host. When the question answer session starts, the speaker shareholders will be unmuted by the host. Shareholders are requested to click on the video on button. If the shareholder is not able to join through video the shareholders can speak through audio mode also. While speaking, we would request shareholders to minimize the noise in the background so that the shareholder can clearly be audible and also please ensure you have a good Wi-Fi connectivity and proper lighting to have a good audio video experience and if there is a connectivity issue in between at the speaker's end, we would ask the next speaker to join and once the connectivity improves, the speaker shareholder will be again called back to speak. We request the shareholders to limit their speech to three minutes and further if any shareholder faces a technical issue, He or she may contact the helpline number given in the notice of the AGM and members may also ask questions through chat box option, which is enabled during the meeting and the Company will be responding through these questions individually to the register members to their email IDs.

Thank you very much again for joining this session and the meeting. Now, I request the Chairman to start the proceedings. Over to you, sir.

Pradip Shah:

Thank you Mangal. Good afternoon, dear shareholders. I am Pradip Shah – Chairman of the Board and the Audit Committee. I have joined the meeting from Mumbai. On behalf of the Board of Directors of the Company, I have great pleasure in welcoming all of you for this 25th Annual General Meeting of the Company. The meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs and SEBI.

I affirm that the Company has made all efforts feasible under the circumstances to enable members to participate and vote on the items being considered for the meeting. We have the requisite quorum present through video conference for the proceeding at this meeting, participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order

Before, I turn to the formal agenda of the meeting, I request my colleagues in the video conference to introduce themselves.

Srikar Reddy:

Good evening, everybody. I am Srikar Reddy, I am the CEO and Managing Director of the Company. I am joining the meeting from Bangalore.

Pradip Shah: Shyam.

Shyam Ghia: Good evening. My name is Shyam Ghia. I am joined in the meeting from Mumbai from my residence.

Pradip Shah: Radhika.

Radhika Rajan: Good afternoon this is Radhika Rajan. I am an Independent Director on the Board of Sonata. I am joining this meeting from Mumbai from my residence.

Pradip Shah: Sanjay.

Sanjay Asher: This is, Sanjay Asher here. I am one of the Independent Director on the Board of Sonata Software Limited. I am joining the Annual General Meeting of Sonata Software Limited from my office in Fort Bombay, 11th August 2020.

Pradip Shah: Jagannathan.

Jagannathan C.: Good evening all. I am Jagannathan Chakravarthi – CFO of Sonata Software Limited. I am joining this meeting from my residence in Bangalore. Thank you.

Pradip Shah: Thank you. Mangal.

Mangal Kulkarni: Good evening all. I am Mangal Kulkarni – Company Secretary of the Company joining from Bangalore from my residence.

Pradip Shah: Thank you very much. Apart from these Directors and the Executives, We have Senior Executives of the Company joining from their respective locations. Mr. Gurvinder Singh and Mr. Vikas Bagaria from Deloitte Haskins & Sells Statutory Auditors. Mr. Parameshwar Bhat, Company Secretary in practice who has been appointed as scrutinizer for E-voting and the AGM are also present at this meeting. The registers under Section 213 of the Company Act, 2013 a certificate from the statutory auditors for compliance of SEBI Share Base Employee Benefits Regulations 2014 are made available electronically for inspection by the members during the AGM. As the AGM is being held through video conference. The facility for appointment of proxies by the members was not applicable, and hence the proxy register for inspection is not available.

The Company has received representations for members for 14,36,000 shares representing 1.37% of the paid-up capital of the Company. Since notice of this meeting has been sent to all members entitled to receive the same, I therefore take the notice as read.

I will now say a few words on the Company:

It is indeed a privilege to share my thoughts on the performance of the fiscal year 2020. The year 2019-20 was a continuation of the success story of your Company in the recent years, and the year where it's strengthened its position as a leading digital transformation partner choice for our clients. The Company achieved good growth in revenue and profitability and continue to generate consistent and sustainable value for shareholders.

The end of the year saw unprecedented and unimaginable disruption to global economies, and your Company is not insulated either. I will talk more about the COVID-19 impact and your Company's strategy to overcome the challenges a little later.

The focus in the year was to continue to strengthen the proven strategy, leverage the new acquisitions made in the previous year and the alliance with Microsoft. Your Company continued to progress in a trajectory of being an industry-focused, strategic "Platformation" partner leveraging technology, alliances, partners, vertically focused domain expertise in the Company's IP portfolio. As you're aware, we have trademarked the term "Platformation".

The Company's unique approach to digital through "Platformation" methodology is continuing to differentiate us and is emerging beneficial to our customers in their digital transformation journey. One of the highlights for fiscal year 2020 was the acquisition of GAPbuster, or GBW for short. The acquisition reaffirms our IP-led approach to digital transformation. GBW has been amongst the pioneers in the customer experience domain serving renowned brands globally for nearly 30 years. Customer experience management has become one of the most important tools for digital transformation across industries. During the year, we continue to invest in talent with Jagannathan C. N. joining us as the Chief Financial Officer of the Company, Rajat Kumar Sinha as Senior Vice President, Platform Monetization and Srinivasan Venkatarajan as Client Engagement Partner in the United States.

Turning to financial performance:

Our International IT Services revenue grew almost 14% over Rs.1272 crores while profit grew nearly 5% to Rs.213 crores in FY20 from this activity. This corresponds to 34% of total revenues and 77% of the profit after tax respectively.

Our domestic Products & Services contributed 66% to the total revenues and 23% of the profit after tax. At a consolidated level, revenues grew 26% to Rs.3743 crores while profits grew 11% to Rs.277 crores.

Our balance sheet continues to be strong and we finished the year with cash and cash equivalents of over Rs.311 crores witnessing a return on capital employed of 38%.

As always, shareholder delight is our top priority and we declared an interim dividend of Rs.5.75 per share and followed it up with a second interim dividend of Rs.14.50 per share, thereby resulting in a total dividend of Rs.20.25 per share for the year.

The COVID-19 outbreak across the globe has had an adverse impact on businesses and specifically certain sectors like Travel, Retail, non-essential manufacturing. As you know, your Company has a focus in some of these sectors and specifically as already announced earlier one of our large clients in the Travel sector being severely impacted by the lockout and travel ban across the world had to temporarily suspend their operations thus affecting a majority of our services to them. The Company has taken many steps to address the situation in terms of cost rationalization, cash conservation, protecting the current business and focusing itself to address opportunities in industries not affected by the crisis.

I am happy to say that the efforts are bearing fruit. Your Company acted very quickly and took various precautionary measures to ensure the safety and health of employees at all offices in India and overseas, which was the foremost priority. Within weeks, we had 100% of our employees working remotely and delivering different kinds of services to our customers effectively without any disruption. Even in the lockdown situation, some of the important projects went live successfully using remote delivery.

I would like to reiterate that your Company with its focus on platformation, has a strong IP-led portfolio of proprietary industry platform and value-added offerings on technology alliance and partner platforms. With these trends, your Company is poised to further leverage the opportunities be created globally, as a trend towards digitalization of businesses continues, regardless of short-term impact of COVID-19, I believe that our long-term business model and strategy and the investments we have made and continue to make in IP creation, positions us a unique and well-differentiated technology solutions partner.

The acquisition of Sopris and Scalable, which we did last year have created opportunities in industries like Utilities and Commodity and Agri-based businesses which are relatively unaffected by COVID-19 pandemic.

Further GBW, our recent acquisition in the customer experience space, has also created large emerging opportunity in the digital consumer experience space.

I would like to take this opportunity to thank our shareholders, clients, partners and vendors for their continued support and trust in all our endeavors.

Last but not least, I would like to place my appreciation, Mr. Srikar Reddy – CEO and Managing Director and his abled management team and the rest of Sonatians for their performance. Wishing them good health, safety and success, I am confident that we will come out strongly through these challenging times to take advantage of near rising opportunities when this crisis ends.

I will now take the Statutory Auditor's report and Secretarial Auditor's report as well as there is no qualification in the reports. I further take the Board's report and audited financial statements as read.

Now, as required under Section 108 of the Companies Act 2013 read with applicable rules and Regulation 44 SEBI Listing Regulations 2015, your Company had provided all members the remote e-voting facility to cast the votes electronically in respect of all businesses mentioned in the notice. Members who are present in the AGM through VC facility and have not cast their votes on the resolutions through remote e-voting, can vote during the meeting through e-voting system provided by NSDL.

I now request Mr. Srikar Reddy to make a presentation to the members for the performance of the Company during the fiscal year 2019-20.

Srikar Reddy:

So, thank you Pradip, and co-fellow Directors, rest of my colleagues and shareholders. Welcome to the Annual General Meeting, which is being held through the video conference. As Pradip covered very lucidly in his talk about the performance of the Company, the Company was executing its strategy exceedingly well, and then we had towards the end of the year, the COVID-19 crisis and Pradip also mentioned that we have taken the necessary steps and actions and have come out through that crisis. As you all know we declared our quarterly results yesterday for the first quarter FY21 and I have mentioned we have come through fairly well, compared to what we had said we will be.

So, I will briefly cover in this presentation about what we said we will do last year, and then the achievements and what is the plan for the current year, given where we are.

So, the strategy was obviously fivefold:

One was, how do we leverage the existing clients of Sonata to do more mining, get into more strategic engagements with these clients, become a digital transformation partner for these clients so that we become very sticky with these clients. Continue to engage with our alliance partner, especially Microsoft, in a more broad-based fashion, along with dynamics and other technology areas so that we were aligned with them in their endeavor to become a digital partner to their clients, bring a lot of industry focus into how we go and address the client's needs. So we had this focus last year on Retail Distribution, Travel and ISVs and as we mentioned, we made a couple of acquisitions which gave us access to two new industries which is the Commodity and Agri business and Utilities and Services industries.

We continue to invest in our intellectual properties, through these acquisitions, we also got a new intellectual property in the area of commodity trading and risk management. So continue to invest which has been acting as a differentiator, while we were trying to address customer needs and of course, in our India business, the digital technical infrastructure business become more strategic focus more on the cloud, look at engaging with new partners, so that we kind of broad-based digital infrastructure partner with the clients in the Indian market.

Some of the significant events of FY20 as Pradip mentioned, one was the acquisition of GBW towards the end of the year, we believe that it is going to add a strategic value to the Company's

offerings and its ability to compete in the market, customer experience in fast-growing investment area for most clients and especially the world is getting more digitized, managing customer experience well, and ensuring you understand the pulse of the customer to be able to deliver the right experience Products & Services to the customer become more and more important. The whole “Platformation” concept that Pradip alluded to we saw maturation of it, as the Company developed more tools, methods, methodologies, on how to engage with client, how to deliver “Platformation” to clients, how do we measure the success of “Platformation” in the client’s business. The quality of the clients added continued to improve, and that’s given in the financial indicators of the Company, larger clients, larger value orders and more stickier clients.

We continue to invest in development of new technologies across our all our competencies, whether it is data and analytics, AI, ML, RPA, IoT, platform modernization, cloud transformation, platform engineering, of course dynamics, as we continue to invest into developing new frameworks, tools, methods, and IP.

We continue to invest in developing intellectual property as said, we had six of them and we continue to invest in each of them, so that they keep us more competitive in the market and as we mentioned, added more talent and of course, last but not the least, the most significant event came towards the end of the year with the COVID-19 coming through at least, hitting India towards the middle of March and obviously creating a huge amount of disruption to businesses not only in India, but globally.

. So, this is the highlights of the financial performance of the year. So, as I said, we were well on our way to delivering fairly record growth until we had this hitting out in the last quarter of last year and slow down our growth. So otherwise the growth last year would have been better than what we are showing here.

. Yes, similarly more details of these financial performance of the Company. While we said there was definitely good growth but could have been better, but for the COVID crisis.

Really, so where are we and what are we seeing. So, obviously certain industries are still continued to be affected, especially travel non-essential retail. We are seeing trends from customers who had delayed projects are now actually some of them are thinking of restarting these delayed projects. There are certain industries like Technology, Utilities, Agribusinesses, Insurance, Mortgage Processing, doing okay and continue to invest in new technology. People are still evaluating the long-term impact on their business. So they’re very cautious about how much they invest, they are continuous to be focused on projects which give quick ROI, then projects which take a long, a big investment and have a long term ROI.

So as Pradip mentioned, these are the actions we quickly took, obviously first for the safety of our people and that continues to be prime. They’re all working from home and working well. We took some quick actions and decisions on containing cost, so that we wouldn’t get very adversely affected by the drop in revenue from one of the large clients.

We continue to look for opportunities in our existing clients and new pipeline mainly through what we call the upgrade motion of dynamics where there is a big push to move people to the cloud and focus on cash conservation. So we continue to keep cash and based on the results, we published yesterday, you see that our cash position has gone up very healthy, compared to what we had at the end of March. So that's a focus to conserve cash and that's been executed well, and so the cash position of the Company is far superior to where we were.

So obviously, the plan while at a strategic level it's about becoming a digital partner, focus on our verticals, etc., these are the set of actions, which we said that we need to do, given the situation we were in, we continue to be in. So, one is to obviously protect the existing business by ensuring we deliver great services and as I said, we're able to do work well remotely, the customer satisfaction levels are one of the highest levels in recent times. So thanks to all the people in Sonata, we continue to service our clients very well.

The second was to try and get back some of the business which got reduced because of the crisis and we are seeing some of that coming back.

The third is to look at businesses which were deferred by clients and we'll see that's a likelihood, as we go forward towards the rest of the year.

Obviously, new strategic initiatives with existing clients, those people who have a propensity to invest, there are a lot of areas, which we have identified, which could help them become better digital businesses. Obviously, we're looking at working with some existing clients to see whether we could ensure that we can get more business by offering more creative cost-based commercial models that their cost comes down and then we are able to service them better.

We continue to focus on the industry led "Platformation" and we are seeing new pipeline, as I said, especially in Agri business and Utilities, which have been relatively less affected.

We continue to stay focused on cost management, because that is key in these times.

We'll continue to invest in IP and new themes. So, as we said we have put in investments into developing the IP for the Commodity business, looking at new IP for the Service industry and of course invest more in the GBW platform which was recently acquired so that it can become more powerful tool for customer experience. So that's really the qualitative plan for the year.

To sum up as I said, the last year was good till the challenge hit us and thanks to everybody, including the Board. The last few months, the team have acted with great resilience, a lot of positivity, and not got fazed by the negative news around us and we have come now into a relatively better spot than where we were about four months ago. Obviously, nobody can predict the future. But, given where we are and if there are absolutely no untoward incidence, we can look at a better future as we go forward in the subsequent quarters.

So thank you all again for your support and look forward to your questions.

Pradip Shah:

Thank you Mr. Reddy, we will now resume the proceedings. We now take up the resolutions as set forth in the notice. We will open the floor for any questions by members after all the resolutions are given. Since resolutions have already been put to vote, there will be no proposing and seconding of resolutions.

Item number 1-, adoption of financial statements for the financial year 2019-20 including the consolidated financial statements together with the reports the Directors and Auditors, which have already been sent to the members.

Item number 2- confirmation of the payment of interim dividend at Rs.5.75 per equity share of the 1 each that is 575% already paid and to confirm the payment of second interim dividend of Rs.14.50 per share of Rs.1 one each that is 1,450% already paid for the financial year 2019-20.

Item number 3- , to appoint a Director in place of Mr. Shyam Ghia who retires by rotation and being eligible offers himself for reappointments.

Item number 4-, appointment of Mr. Sanjay Asher as an Independent Director for a term of five years from August 8th, 2019 up to 7th, August 2024. The text of the resolutions along the explanatory statement is provided in the notice that we circulated to the members.

Item number 5-, reappointment of Mr. Srikar Reddy as the Managing Director and Chief Executive Officer of the Company for a further period of three years with effect from 14th, February 2020. The text of the resolutions along with the explanatory statements provided in the notice circulated to the members. If any registered shareholder's speaker serves to ask any question now pertaining to any item of the notice you may please do so now. Please keep your questions brief and specific. The moderator will facilitate to take the questions on the video feature. We will answer all the questions at the end of all the questions.

So now I request Mr. Kirti Shah to kindly proceed with the question.

Kirti Shah (speaker shareholder):

Chairman sir you have given such a good dividend at such a time and your dividend yield is more than 8%, more than bank FD. It's good that you have given this much dividend at such a bad time and you have good amount of cash as well in the Company, so your management is quite good and it feels good that you are managing it very well. Chairman sir, PE is quite lower than industrial PE. Industrial PE is of 22 and our PE is only 9 so we have to think on that as well and why is the promoter holding so low. Promoter holding is very low, it's 28.17%. SEBI has given you special power that you can go till 75% and Company has given such good dividend and with such good cash and debt free so you have to think on promoter holding as well so that it goes ahead nicely and at the same time investor should also benefit. This year for investor the high

price was 354 and low was 148 and currently it's 283 so I have a request that you call up a meeting of FIS and Mutual fund and present it to the Company where you will get such a big dividend yield else where and why are the sellers selling the mutual funds. The mutual fund has sold 1.48% of your share so what's the reason of that if you could highlight why they want to sell the mutual fund. FIS volume is very low, why is FIS holding so low I want to know that, so please think on FIS as well as FIS has a huge fund and Company is finding good opportunity and your dividend yield and Company's progress is quite good. In December quarter your net profit margin was 21%, in March quarter you made it 35% which is a very big achievement. Company is progressing every day and it's quite good. In December your profit was 49 crores and in March your profit is 80 crores, 79 and something so it's too good that the Company is quite progressive and I did email you if you could call up for the meeting that would be great and I would like to thank Srikar as he explained the presentation very well what all divisions are facing issue and which one is going good and he has given all the explanation as well so that's a good thing and our CFO – Mr. Jagannathan is the key person he has handled all the finance and we are progressing ahead in a very good way. Wish you all the best, thank you very much sir.

Pradip Shah:

Thank you Kirti. Your analysis is very good and like I said you can see our Company's return on capital growing and consolidated is 58.1%, how many companies are there with this kind of return on capital. Next shareholder Mr. Arun Kumar Boppana. Please go ahead with your question.

Arun Kumar Boppana
(speaker shareholder:

Thanks to Mangal Kulkarni for setting up this AGM. Sirkar ji, how are you long time no see. The 2020 will forever be etched in human consciousness because of COVID-19. It has proved that universe is not human centric. Every life has a role to play, which is real beauty or tragedy. Not all humanity will be wiped out anyway, thanks for the dividend trajectory and Srikar and the Board. Are there good opportunities of acquisitions for Sonata now in this crisis. Any layoffs of employees because we cannot pour water on the employees or any layoffs during this pandemic, or people are working from home. And in future will we hire candidates who are all-rounders because now the trend is changing, I believe more specialty to be more of all-rounders. And if the virus lasts for 24 months what will be the impact on Sonata. Regardless, we have to grow so we cannot sit back and wait for opportunity to fall in our laps. We have to see opportunities and more boldly seize them I wish Sonata all the best. The history of corporate India would be so much mundane without recalling in the IT success story. IT built the economy without source with valuable thing have happened. The IT industry in the 21st century economy galvanized and driven by 20 Century vision. Luckily out of the gamut of the politician and bureaucrats who with the steel frame henchmen could not meddle with the 19th century logic and outdated 18th Century's. Sonata upskill the employees for the evolution, AI, robotics and automobile impact productivity, AI industry estimated to grow, and you need about 3,30,000 professionals how is Sonata placed. Though Srikar mentioned about agriculture. Can we make some drones piloted aircraft systems to help in crop monitor and crop insurance because agricultural transformation is a prelude to industrialization and growth of the Country? What

role do the Sonata play in future Mobility. E-commerce will be the engine for the next level of Indian growth is going to go from 2 billion to 1.2 billion where is Sonata placed?

Srikar, I have great respect for him, he is a man with integrity and loyalty, a great team leader with shaped character, competence stay to build values and resulting in abundance and prosperity. I wish Sonata all the best in the sunshine and starlight . We are always with you thank you very much.

Pradip Shah:

Thank you Mr. Boppana. Mr. Gautam Tiwari please.

Gautam Tiwari
(speaker shareholder):

Yes, sir. Sir. very, very good afternoon to all, our Chairman sir, Pradip Shah, in fact really nice to see you sir here. In any companies who ever has seen you as Directors now, but in Sonata, you have been here since a pretty long time and see very well and hearty, I had a good healthy condition gives us excellent pleasure. So very, very good afternoon to all my Directors, my fellow shareholders, and Sonata Software team, and even NSDL technical team. Sir, in fact, your opening speech and Mr. Srikar Reddy's presentation was so nice that it gave us the total and very good idea about our Company's performance and what the Company has been doing during recent times. Sir the shareholders which have been with you from starting before millennium, who have been there with you from day one. So we have seen that Sonata Software has given so much not only in the form of dividend but even in the form of appreciation. The way moon shines in the sky and make the sky brighter and along with that it showers the light and coolness on earth as well in the same way people who are connected with Sonata Software have got so much that they are happy in the same way like I said about the moon. Sir we are very happy with your performance and whatever you have been doing since so far, in whichever price you enter but your rate is around 300, 290, 295, 296 there is a jump of 5% to 6%.and it went below 200 as well but we had complete faith in the management and we were confident of your performance and ability and your efforts. So, we increased our holdings and we are happy today. Our price did go to 400, 500, we have seen full moon and no moon as well but you were steady with your work. In this COVID epidemic number of companies said that our performance has dipped so they gave less divided or no dividend but you have given such a good dividend and helped everyone. For this there is no words to express. You invested on GBW platform and the digital transformation initiatives which you took because of that business has progressed very well and that's good. Sir, I would really like to welcome the recent appointment of Mr. Jagannathan Chakravarthi, who is the real talent of IT world is with us now and it will be great ahead. Similarly, we have got Mr. Srikar Reddy who has been giving us very good performance year-on-year under your competitive leadership so that is also great and I would like to welcome all the recent appointments and reappointments of all our Directors and who so ever has been appointed in the Board as such. Sir, coming to the secretarial view, Mangal Kulkarni, who recently joined are new to our Company but not to us because in Hinduja Global Group we have seen their investor service, their helpful nature towards the shareholder we have seen all that and we have very well happy with that. So, I am very sure we have got an asset to our Company, and Nivedita has been with from long time. Sir, coming to the balance sheet, it's quite transparent, informative balance sheet and we got it in quite advance so we are very much thankful to you.

Sir, the NSDL technical team which you have choice we are getting very good virtual performance in the AGM and thank you for that and everybody worked hard for this and called us numerous times asking if we have any problem to connect and for all this we are very much grateful. Sir the Bombay office used to give us good service but to continue the same service I would request you to encourage them because we have been there from start and we are paying deep attention to our daily progress of the Company. So, we would like to be very much grateful to you if at all you can accordingly tell them. I would like to specifically mention Priya's service, who has been our Company Secretary before Kundan, her service was very good and I am very sure going forward we will have the same so. So, in order to improve my knowledge about the Company I got two little, small queries if you can please tell us about it sir. Sir, questions are very simple, just in order to improve my understanding about you. Sir, what are the future plans of the Company and does the strategies and rationale of these investments which are made are being reviewed considering the dynamic global scenario presently. Sir reviewing the annual turnarounds in business, how do you compare yourself with industry competitors. Chairman sir, would you be kind enough to please give us the brief about monitoring risks by the Company and how it is carried out, Sir, how much we have been spending on our R&D division during the year under review, and how much in terms of revenue and profitability, we are experiencing especially post acquisition period now, these are the small things, whatever you can answer now, it is alright and even afterwards also, you can answer me, there is no pressure, because we are very happy with whatever Sonata is doing sir, more than happy with you performance.

Pradip Shah: Thank you Mr. Tiwari.

Gautam Tiwari: Sir. I would like to praise all employees, staffs, Directors and Officers for their best performance during the year and even we are voted in favor of all the resolutions and we are from day one in support of your and till our last breath we will be there in support of you and it's a very bright and shiny future to you, to all the entire staff and to the Company in the days to come and we are always there to support you. Thank you, sir.

Pradip Shah: Thank you Mr. Tiwari. We will go to the next shareholder Mr. Vinod Agarwal. Please go ahead with your question.

Vinod Agarwal (Speaker shareholder): Yes, sir. My name is Vinod Agarwal, I have two, three observations. One is everything has been graphically shown on the page number six and seven of the annual report graphically and numerically. The story of Sonata which has been growing in leaps and bounds on revenue and EPS, in PAT, in ROC and everything and the dividends also have been increasing. Sir, we have been meeting you in this meeting and other meeting also, which is and we have a lot of respect for you sir and sir in the Q1 results were not very good, which are declared yesterday. The PAT margins, the EBITDA margins have come down substantially to 2.5% only, how you will be increasing our margins going forward sir and the hiatus is which we are seen in Q1 21 will only be abrasion and that's what we feel and how is the cover up during the next three, the roadmap for covering up the loss sales of the Q1 into the second, third and fourth quarter for the annual

year by 21. I will complement the madam Mangal Kulkarni and the team for making this annual report such a colorful one with such beautiful details in COVID times when interface meetings are not there. They are working from home culture. We will compliment and also Nivedita who has been following up for making me join this meeting. Happy about the dividend sir and my dividend cheque was stuck up and now it has to be renewed and come back to me. It has been more than a month that it has gone back to the Company and they've sent back to Karvy and it has not still been credited to me sir. I will ask to look into it and have my cheque on my dividend, the interim dividend of 14.5 credited to my account. Thank you, sir.

Pradip Shah:

Thank you Mr. Agarwal. We have no other questions on the list. So we will now request Mr. Srikar Reddy to answer all your queries. Srikar.

Srikar Reddy:

Thank you Pradip, and thank you Mr. Kirti, Mr. Boppana, Mr. Tiwari and Mr. Vinod Agarwal. I'll try to combine and address most of the questions you asked, and some of them Pradip did answer. So one was about the long term strategy of the Company, the investment plans, the acquisition strategies, the plans to hire a new talent, how will new technologies impact us and so on and so forth. As, I mentioned in our presentation, and as I've been saying now, for the last many years, the focus of the Company has been on select industry verticals we added now, new industry verticals, based upon the acquisitions we have made and that has stood us in good stead in these difficult times, because some of the industries we are focused on, got affected.

The second strategy was to work with our alliance partners so that we can build solutions on their technology stacks. The third strategy has been developed IP, which will make us differentiated partner for these industries. The fourth is the continuous investment in new technology areas, like people mentioned, obviously will not invest in all the technologies. We may not invest in block chain, we may not invest in drones, but definitely there are areas like data analytics, artificial intelligence, platform engineering, cloud transformation, a lot of other technologies, where we continue to invest in emerging technologies, we keep ourselves current, there are competency teams in the organization, which are focused on understanding what are the latest developments, what are the latest frameworks, what are the latest methods, et cetera. So that we keep updated, we continue to invest on that. There was a good point made by Mr. – Boppana, that we need to look at more now around us, we call that in Sonata what we call them is full stack engineers. So earlier people were at the front end and back end and so on and so forth. So now we are looking at what are called unified engineers. So we have started that as an initiative to ensure that we continue to invest in people, we continue to invest in more people as we go forward.

There were questions about the performance last year, the first quarter and going forward as we said, at the end of March that we had a fairly big setback with one of our clients. Actually, we thought that the first quarter, our results would be a lot worse than what we delivered. But as I mentioned in my this thing, that we came out pretty well. And, I also mentioned in my speech that we can now from here onwards look forward to a growth in the next few quarters. So what we have done so far, and where we have reached and as I said, we have built now a good



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foundation, and we can look forward to growth as we go forward. So, I've answered most of the questions which were raised. So, I guess that's been my response to your questions. Thank you all.

Pradip Shah:

Members may note that the voting of the NSDL platform will continue to be available for the next 15 minutes. Therefore members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Mr. Parameshwar Bhat, practicing Company Secretary as a scrutinizer to supervise the e-voting process. The results of the remote e-voting will be declared on receipt at the scrutinizers report and placed in the Company's website and sent to the stock exchanges. Thank you all for your interest in the Company and for attending this meeting. I hereby declare the proceedings as closed. Thank you very much.
