



**“26th Annual General Meeting of Sonata Software Limited
held through Video Conference”**

August 16, 2021

MANAGEMENT:

MR. PRADIP P SHAH – CHAIRMAN OF THE BOARD & THE AUDIT COMMITTEE

MR. P SRIKAR REDDY - MANAGING DIRECTOR AND CEO

MR. VIREN RAHEJA - DIRECTOR

MR. SHYAM GHIA - NON-EXECUTIVE DIRECTOR

MS. RADHIKA RAJAN – INDEPENDENT DIRECTOR

MR. SANJAY ASHER – INDEPENDENT DIRECTOR

MR. JAGANNATHAN CHAKRAVARTHI – CFO

MS. MANGAL KULKARNI – COMPANY SECRETARY

MR. GURVINDER SINGH – STATUTORY AUDITORS, DELOITTE HASKINS & SELLS

**MR. PARAMESHWAR BHAT – PRACTICING COMPANY SECRETARY AND SCRUTINIZER FOR
THE AGM**

– **Ms. Mangal Kulkarni – Company Secretary, Sonata Software Limited:**

- Good evening everyone, I am Company Secretary of Sonata Software Limited. I welcome you all to the 26th AGM of the company. A quick info on the arrangements and guidelines for the Q&A session. Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act, 2013, and circulars issued by the Ministry of Corporate Affairs and SEBI. The proceedings of this meeting are being recorded for compliance purposes. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first come first served basis. All members who have joined this meeting are by default placed on mute by the host. When the question answer session starts, the speaker shareholder will be unmuted by the host. The speaker shareholders are requested to click the video on button once their names are announced. If the shareholder is not able to join through video, the shareholder can speak through audio mode as well. While speaking we would request the shareholders to minimize the noise in the background so that he or she is clearly audible. Also please ensure that there's a good Wi-Fi connectivity and a proper lighting to have a good audio video experience. If there is a connectivity issue at the speaker's end, we would ask the next speaker to join and once the connectivity improves, the speaker shareholder will be called again to speak. We request the Shareholders to limit their speech to 3 minutes. Further if any shareholder faces any technical issues, he or she may contact the helpline number mentioned in the notice of the AGM. Thank you very much for joining.
- I now request the Chairman, Mr. Pradip Shah to start the proceedings of the meeting. Over to you, sir.

– **Mr. Pradip Shah – Chairman, Sonata Software Limited:**

- Thank you.
- 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 your Company I have great pleasure in extending a warm welcome to all of you to this 26th Annual General Meeting of the Company. I hope all of you are safe and keeping well during these challenging times.
- The meeting is being held through video conference in accordance with the circular issued by the Ministry of Corporate Affairs (MCA) 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 in the meeting. We have the requisite quorum present through video conference to conduct the proceedings of



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this meeting. Participation of the Members through video conference is being reckoned for the purpose of quorum as per the circulars issued by the 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.
- Mr. Srikar Reddy.
- **Mr. P. Srikar Reddy - MD & CEO, Sonata Software Ltd:**
- I am Srikar Reddy, the CEO and Managing Director of the Company, I have joined the meeting from Bengaluru.
- **Mr. Pradip Shah – Chairman, Sonata Software Limited:**
- Mr. Ghia.
- **Mr. Shyam B. Ghia – Non-Executive Director, Sonata Software Limited:**
- I am a Non-Executive Director of the Company, and I am speaking from my residence in Mumbai.
- **Mr. Pradip Shah – Chairman, Sonata Software Limited:**
- Thank you. Mr. Viren Raheja.
- **Mr. Viren Raheja – Director, Sonata Software Limited:**
- This is Viren Raheja, and I am a Director of the Company and I am joining the meeting from my residence in Mumbai.
- **Mr. Pradip Shah – Chairman, Sonata Software Limited:**
- Thank you. Mr. Sanjay Asher.
- **Mr. Sanjay Asher – Independent Director, Sonata Software Limited:**
- This is Sanjay Asher here, joining this meeting from my residence in Bombay. I am an Independent Director, and a Chairman of NRC of the Company.
- **Mr. Pradip Shah – Chairman, Sonata Software Limited:**
- Mr. Jagannathan.
- **Mr. Jagannathan – CFO, Sonata Software Limited:**



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- I am Mr. Jagannathan, CFO of Sonata Software Limited. I am joining from my residence in Bangalore.
- **Mr. Pradip Shah – Chairman, Sonata Software Limited:**
- Thank you. Ms. Mangal Kulkarni.
- **Ms. Mangal Kulkarni – Company Secretary, Sonata Software Limited:**
- I am the Company Secretary and joining this meeting from Bangalore.
- **Mr. Pradip Shah – Chairman, Sonata Software Limited:**
- Ms. Radhika Rajan who is a Director has not been able to join us, she is in New York at this time.
- Apart from them we have senior executives of the Company joining from their respective locations. Mr. Gurvinder Singh from Deloitte Haskins and Sells, Statutory Auditors, Mr. Parmeshwar G. Hegde, Secretarial Auditor, and Mr. M.V. Bhat, Company Secretary in Practice who has been appointed as scrutinizer for e-voting at the AGM are also present at this meeting.
- On behalf of the Board of the Directors I would like to thank you again for joining us today. The registers required under Section 2013 of the Companies Act, 2013, and certificate from the statutory auditors for compliance of SEBI Share Based Employee Benefits Regulations, 2014, have 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 is not applicable and hence the proxy register for inspection is not available. The Company has received representation from members from 14,36,000 shares representing 1.3% of the paid-up capital of the Company. Since the notice of this meeting and the annual report has been sent by electronic mode to all the members entitled and have received the same, I will therefore take the notice as read.
- I will now say a few words on the company's performance. The year 2021 was a challenging as well as a successful one for Sonata, a year where it strengthened its position as a leading digital transformation partner of choice for clients. The results for the year have shown significant growth quarter on quarter over the year, both in revenues and profits across all business operations, geographies, digital services and industry verticals that indicate that Sonata is now on a path of sustained growth. This is a clear indication that the overall strategy of building digital enterprises by creating platforms for the unique Platformation™ (which is a trademark term as you

know) methodology is more relevant in the current context with greater investments by enterprises in digitization and automation. Sonata has become a much stronger organization in the quality of clients, relationships and internal investments in creating world class competencies aligned to Platformation™ strategy across platform engineering, cloud transformation, data analytics and intelligence and Microsoft Dynamics. The GAPbuster Worldwide, GBW investment that the Company made focused on delivering platform-based customer experience continues to show promise with addition of some marquee clients adding differentiation to Company's digital offerings. The India business of the Company showed tremendous progress with additions of new strategic alliances like Amazon AWS and Google cloud adding more annuity business and significant growth in cloud licensing business.

- In line with the growth agenda the Company invested in talent at senior level. Three leaders joined Team Sonata, Suresh KP as Vice President- Talent Transformation, Maheshwar P., as Assistant Vice President - Delivery Operations and Nidhish Shetty as Vice President, Open-Source Platform Engineering and Data & Analytics.
- Turning to the financial performance, our international IT services revenue showed a de-growth of almost 7% to about 1,183.86 crores earlier in the previous year we had 1,272.66 crores. While after tax profits showed a de-growth of nearly 13.5% to 183.78 crores in FY'21, the earlier year the profits after tax were 212.55 crores, a result of the pandemic's impact on the economy. International IT services contributed to 28% to the total revenue and 75% of the profit after tax respectively. Our domestic products and services contributed 72% to the total revenues and 25% of the profit after tax. At a consolidated level, revenues grew 13% to 4,228.08 crores while profits showed a de-growth of 11.9% to Rs. 243.96 crores. Our balance sheet continues to be strong and we finished the year with a free cash flow of over Rs. 622.7 crores witnessing return on capital employed of 32% normalized for the Vivad se Vishwas provisions, otherwise it was 30%. As always shareholder delight is our top priority and we declared an interim dividend of Rs. 4 per share and followed it up with a final dividend recommendation of Rs. 10 per share making the total dividend of Rs. 14 per share for the year.
- I would like to note with pleasure that Sonata's Platformation™ methodology continues to gain momentum even as it enters its fourth year, more importantly we have witnessed clients reap benefits from a concept of digital transformation as designed and engineered by Sonata. The customer experience business continues to do well, while a lot of peers struggled with their mainstay being retail. Quickly pivoting to offering an integrated customer experience management program has resulted in a few large wins from globally renowned brands. On the human front since the beginning of the pandemic last March, the priority for the Company has been to ensure the safety and health of all Sonatians while delivery to clients continued globally. In the past year Sonata has become much stronger and deeper



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organization investing in areas that will make us more competitive and helping our clients stay ahead of their competition. The investments have been scaling the competency of people creating full stack digital engineers and digital architects improving the depth of our digital technology competencies and in building industry domain expertise in our industries of focus and in creating more intellectual property. Sonata's alliance with Microsoft has entered its 30th year making headway beyond the dynamics business where we are now amongst the largest partners for modernization initiatives on Cloud transformation and Data Analytics and Intelligence. Last year was an exceptionally challenging year for all of us with the pandemic hitting the world. Sonata and its employees were also impacted due to this, a high level Covid 19 response task force was constituted to provide immediate attention to employee requests. To ensure the safety of employees, work-from-home was rolled out as a first step. Many employees benefited from the tele-consultation facility that was enabled in India. Special Covid insurance and enhancement of medical insurance and term life insurance cover was provided for all employees. The company procured and stocked oxygen concentrators to provide help during emergencies. Vaccination drives funded by the company executed with the support of leading hospitals in Bangalore and Hyderabad were successful in vaccinating most employees and family members. As markets start to open globally with global vaccination programs being successful, we see demand return to normal levels gradually, even in industries affected by the pandemic. Skilled digital talent will play a significant role in taking advantage of the opportunity as increased demand in the short term could lead to intense competition globally for such talent. The investments that the company has made in acquiring and creating digital talent and strengthening all business processes across the Board aligned to our Platformation™ concept should stand us in good stead to address this growing opportunity. The company will continue to invest in strategic areas both organic and inorganic including opening new global delivery centres to meet the challenging needs of clients across the globe. We at Sonata also understand the importance of Environmental Sustainability Governance (ESG), both to us and to our clients. With this in view we have made an investment in Treeni Sustainability Solutions in Atlanta a US based company which offers a Cloud based software as a service platform that enables a 360-degree view of ESG data and risks for enterprises. Treeni's resustain™ which is also a trademark platform is a natural extension for Sonata's platform focus and Platformation™ framework and will help its clients and customers to implement solutions in the ESG space.

- I would like to take this opportunity to thank our stakeholders, clients, partners and vendors for their continued support and trust in all our endeavours. Last but not the least I would like to place my appreciation for Mr. Srikar Reddy, CEO, and his able management team and the rest of Sonatians for their performance. Wishing them good health, safety and success and I am confident that we will come out strongly

through these challenging times to take advantage of newer rising opportunities when this crisis ends.

- I will now proceed with the other elements of the meeting. I hereby take the statutory auditor’s report and secretarial auditor’s report as read as there is no qualification in those reports. I further take the Board’s report and audited financial statements as read. As required under Section 108 of the Companies Act, 2013, read with applicable rules and Regulation 44 of the SEBI Listing Regulations, 2015, your Company had provided all members the remote e-voting facility to cast their votes electronically in respect of all businesses mentioned in the notice. Members holding securities in DEMAT mode with NSDL are required to vote through NSDL IDeAS facility or e-voting website of NSDL and members holding securities in DEMAT mode with CDSL are required to vote through the CDSL Easi/Easiest facility or by accessing e-voting page on CDSL website.
- Members who are present in AGM through this VC facility and have not cast their vote on the resolutions through remote e-voting can vote during this meeting through e-voting facilities provided by NSDL.
- I now request Mr. Srikar Reddy to make a presentation to the members on the performance of the Company during fiscal year 2020-21.
- **Mr. P. Srikar Reddy - MD & CEO, Sonata Software Ltd:**
- Thank you, Pradip.
- Welcome to all the shareholders who are online today. As Pradip mentioned last year around the same time or a little earlier was a challenging start to the whole world which was buffeted by the pandemic. And when we did meet here last year, we were looking at what the future would look like even for us for that year while we had taken a fairly large hit in our first quarter. And we were optimistic that things would continue to improve as we went forward last year. And as the results were shown for the financial year ending ’21, that we continued to maintain the growth momentum across all our businesses. We continued to build a very strong organization both in terms of our capabilities, our relationships with clients, our ability to deliver services remotely, thanks to all the Sonatians who participated to ensure that none of the services to our clients got affected. Even during the whole situation of remote model, I think our whole model of acquiring new clients continued to show a great strength apart from growing with our current clients who were not affected by the pandemic. Our alliance with Microsoft continued to strengthen both across different industry verticals and adding new competencies like cloud and data across different geographies. So overall, if you look at the yearend review, it was a year which was used very creatively and significantly by the



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organization to not only take advantage of the opportunities that came our way but actually to build an extremely strong Organization across the various dimensions of our business and strengthening our relationships with our key clients and also with our key alliance partner. So I think should stand us in extremely good stead as we move forward in this year and the coming years forward.

- So, if you look at some of these numbers, they show what I was talking about like the numbers of Q1 last year and Q1 this year across the Board whether it is in terms of revenue or profit after tax or EBITDA of both our international business and domestic business has shown a tremendous amount of resilience and growth. And that's what I meant when I said that we will continue to leverage this huge platform that we have created for future growth.
- And as I said that these have been across the different elements of our business, especially we got affected in Europe in the beginning last year and you can see this in the numbers. But now I think if you see the Q1 numbers, we see we are back to almost before the pandemic, because of the single large client, so again a lot of resilience and growth across geographies, across different industry verticals, number of key clients, global 2000 clients, Fortune 500 clients in our portfolio have shown a tremendous increase both from Q1 of last year and Q4 of this year.
- And across the industry, there are a few industries which got affected by, which was really the travel and non-essential retail businesses and we now see both of them coming back as the market start opening up with more and more vaccinations, and we see tremendous promise in these two industries again coming back to where they were. Otherwise, the rest of the industries especially our ISV business have shown tremendous growth over last year.
- We continue to move to becoming a more and more digital services Company. It shows up in our revenue mix and these revenues are across the board whether it is data analytics or managed cloud services, Microsoft Digital Platformation™ services, the Microsoft Dynamic Services. While we see a little less de-growth in the traditional services, we are seeing a huge bump up which augurs extremely well for the company in the digital services portfolio.
- Overall, our focus has been IP led revenues, Platformation™ revenues, digital revenues and they continue to show tremendous growth especially on the digital side, if you see compared to quarter of last year same time. So, I think the ability of the organization to build digital talent to be able to use our Platformation™ concept to reinforce ourselves as a strong digital partner to our clients and alliance partners is continuing to show tremendous promise and these numbers are a proof that the various elements of the strategy of the company are working extremely well and should augur well for the future of the company.



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- And coming to the domestic business, again we talked about this business from two metrics, one was the annuity business in the revenue mix and this data is what we started to give earlier in the first part of last year to show that this business is a very sticky business, it is a business where the customers are annuity or long term, they are not like one-time customers. And the second is again huge increase in the overall Cloud revenues of the domestic business which again continues to show the stickiness of the business.
- And the other metric we are using here is really to show the amount of business which we obtain from large clients to show that first of all the business comes from extremely solid robust financially sound companies. As I said it is very sticky annuity business, and this break up gives about the margin which we obtain from customers who have been with us for more than 10 years, for more than 5 years to 10 years and more than 3 to 5 years. So tremendous I would say amount of stickiness in the business. And also, that a significant amount of business comes from large number of clients, that means like 100-150 clients give about 80-90% of the Company's margin business. Again, shows that it is a very relationship, sticky, long term and that's what we are focused on, as we build this business and by adding more and more partners into the same revenue mix.
- Overall, again shows a trend over the last 12 quarters and as I said, after the dip in the 1st quarter last year we see the growth coming back to the business.
- So where are we, and as Pradip mentioned, as the world opens up there is a huge demand we see for digital services, plants are digitizing in a much more rapid way and the fact that there's now a proven model to deliver work remotely and you don't have to have people necessarily in the immediate vicinity of the client and the fact that actually can work which is proven during the pandemic over the 18 months. And plus, the huge demand for talent globally as more and more enterprises are wanting to digitize much more faster than before, has made the whole model of building capacities and delivering digital services much more attractive to clients. So, we see the demand situation now across the businesses, across industries, whether it is existing or new, continues to be extremely robust. As we said, our whole Platformation™ which has been in existence for 4 years is established and continues to differentiate us as a strong digital partner that we are able to communicate that our digital offering has a lot of depth and breadth to it in the fact that it has now been in existence for over 4 years and we have used it to build process, talent, capabilities, service maturity, IP and actually starting to show it working for our clients. Our alliance continues to get stronger as we said with more industries added last year in terms of agri business and commodity, and service and energy verticals. And with more focus now apart from dynamics on the Cloud and data part, we are becoming a more full stack, broad based digital transformation partner especially aligned with our whole Platformation™ concept and the alliance is also now going to



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market in a more industry led way. Accounts which we had and which we have acquired over the last 18 months are much better in quality, in terms of their size, their financial stability and their ability to invest in new technologies and our own presence within their environment and the relationships and the value propositions we have delivered to them. We continue to see a very healthy pipeline both in our existing and new accounts. We recently made this very promising acquisition of Encore which we announced 3 weeks ago, a very solid robust business that has extremely experienced professionals of the IT industry and they bring us some couple of new verticals which are fast growing in the health care providers and logistics space, apart from a new delivery centre based out of Chennai and the whole focus on the cloud transformation that strengthens our whole cloud transformation story. So that shows an extremely promising outlook for the future of combining our strengths with them and building that business. Our India business continues to be extremely solid based on the customer base, based on the stickiness, based on improving cloud content in the business, the return on capital employed and adding some extremely solid new business lines to the mix apart from the new system integration business. So that shows solid promise, it showed tremendous growth last year and we will continue to see that growth as we go forward. We continue to invest in IP, we have been using that to differentiate us, and we will continue to use this IP to differentiate us. And investments in all our competencies I think that are world class, and when we say world class, it is world class people, process, technologies, currency of the technology, how are we keeping ourselves upto date, and how are we then transforming these competencies into Platformation™ services. So, looking at the market opportunity and what we have, we see a tremendous future going forward, leveraging all these assets we have built up and as the market now opens up more and more for digital services.

- We have then said that how do we build growth into the Company, and we have segregated this as growth engines. One growth engine is our existing accounts so how do we use that growth engine to drive growth in terms of account mining, converting ourselves to digital partners, long term annuity contracts, broad basing our services, so that's a growth engine. The second is this whole Microsoft alliance led growth engine in terms of how do we access new customers with this alliance both in the dynamic space and in the non-dynamic space like data and cloud. We are looking at new growth engines with these alliances now with Amazon and Google. The investments we made last year in customer experience, GBW shows extreme promise in terms of the growing investments worldwide in customer experience and the fact that GBW already has a very solid customer experience platform from a customer experience service business. We see that as a huge future opportunity for growth. As I mentioned, the new alliance led go-to-market especially with data and cloud adding to our dynamics led go-to-market. And industry led go-to-market aligned with the alliance across the agri business, service industry, energy utility,

retail and distribution. So, this is the way we are looking at the growth of the company and each growth engine has got a separate growth momentum and structure and we believe that going forward we have enough engine power in the Company to drive the growth visualized across these growth engines.

- So what's the focus, as we said continue the traction with the alliance, continue with our focus on Platformation™ in mainstream and alliances in mainstream, continue to make investments in sales and pre-sales, as we speak we have made significant investment in the last 3 to 4 months both in sales and pre-sales across the globe and in India and we will continue to make these investments, continue to make investments in our IP, continue to build a better brand as our digital partner using our Platformation™ concept, look for more opportunities for M&A to drive the growth agenda aligned to our growth engines and so that will continued to be the strategy. Make more and more investments as I said in our India business as I said shows tremendous profits of consistent growth on both top line and bottom line. Looking at expanding our ability to serve our clients better as they want to minimize the risk given some of the challenges with the pandemic, we're looking at adding more development centres in the time zones. Some of them are in the time zones, in low-cost areas in these markets, and some of them are in the main markets itself. So those are the investments we're going to make in the current year. And a whole lot of focus on automation of internal business processes and delivery automation, I think huge investments are being made to ensure that a lot of our business processes and delivery processes are more automated than where they are today. So, as I said, that's the focus. To sum up, I think we see tremendous opportunity. The organisation is extremely well poised with all that we have done and put into place to take advantage of this opportunity over the next 2-3 years. So, thank you all very much for being here today and joining us. We will be happy to take questions later on. So, thank you all again for joining today.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you Srikar. We will now resume the proceedings. We will now take up the resolutions set forth in the notice. We will open the floor for any questions by members after all the resolutions are tabled. Since the resolutions have already been put to vote, there will be no proposing and seconding of resolutions.
- Item No. 1 of the notice – Adoption of financial statements for the Financial Year 2020-21 including the consolidated financial statements, together with the Reports of the Directors and auditors which have been already sent to the members.
- Item No. 2 of the notice – To declare a final dividend of Rs. 10 per share of Re. 1 each i.e. 100%, and to confirm the payment of interim dividend of Rs. 4 per equity share of Re. 1 each i.e. 40%, already paid for the Financial Year 2020-21.

- Item No. 3 of the notice – To appoint a Director in place of Viren Raheja, Director Identification No. 00037592, who retires by rotation and being eligible, offers himself for reappointment.
- The text of the resolutions is provided in the notice circulated to the members. If any registered speaker shareholder desires to ask any questions pertaining to any item on the notice, you may please do so now. Members are requested to please keep their questions brief and specific. The moderator will facilitate the questions on the video feature to avoid repetition, where answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time. Now I request Mr. Vinod Motilal Agarwal to kindly proceed with the question.
- **Mr. Vinod Motilal Agarwal – Shareholder:**
- Respected Chairman Shri. Pradip Shah, our CEO Srikar Reddy, CS Mangal Kulkarni and our CFO Jagannathan ji, regards and respect to everyone and good afternoon to everyone. Sir, I have few queries. We have 4,000 employees and it shows that the employee benefits last year have gone down on a consolidated basis has come down to 625 crores from 660 crores i.e. down by about 35 crores. On a standalone basis the employee benefit has come down to 560 crores from 600 crores i.e. about 40 crores. And the actual salary payment has been shown as salary and bonus payment, on a standalone basis it has been shown as 371 crores against 427 crores paid last year. Was it due to the bonuses for the previous year being paid last year i.e. coming into effect last year and no bonus is being paid this year? It could be that, I'm just seeking clarification, because this 50-60 crores less in the salary and expenses for the employees is a vast sum. That's because in these pandemic times even the employees need money. 4,000 employees are there with you sir. This is one of my queries. Sir, I was very pleased with the presentation by Mr. Srikar Reddy. And he has changed the company's vision by Platformation™. On the Platformation™ basis I would like to know, is one platform developed for a particular client or something, or can the same platform be used for other clients also? That's because, redeveloping a platform for every client will involve its own cost. If a platform can be used for other clients, the cost benefit of the platform can be multiplied by adding more and more clients to the same platform. Just a little bit of modification of a platform would be needed. This is one of my queries. Sir, I have noted lot of your things. Just one second. On your social benefit you've done employee benefit you've vaccinated all your employees with the help of Manipal and Apollo Hospital. Sir, and you're also planting trees through your own foundation. I'm very proud that you're growing trees sir. I'm personally very proud of you because of your CRISIL Foundation and others.



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- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you.
- **Mr. Vinod Motilal Agarwal – Shareholder:**
- We've got so many verticals like Retail, Travel. Travel for sure has not done well and in Agri-commodities you've acquired some 34 clients last year which are new clients. Sir, are we not into financial sector of the verticals because Banking & Financial Services Sector is in the IT is a very big component sir. Are you not likely to enter any platform for that? Intellect is doing a lot of IT platform business on the banking side. If we can develop platforms in one sector, we can develop platforms in the other sector too. This is my other query Sir. And Sir, in social development you're building a digital medium in Bangalore supplying tabs for the Augustus School children. All very well noted Sir. You've got a cash balance of 600+ crores, 640 crores. Other acquisitions and buyback of shares also because your price is already at 850 sir. And we are pleased with the share performance of the company Sir. Sir I now sign off. I don't want to read from the balance sheet that this is your turnover, this is your this and that, that's irrelevant and I don't like to do that. These are the queries. Thank you, Sir.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you, Mr. Agarwal. I will now request Ms. Celestine Elizabeth Mascarenhas to please go ahead with your question.
- **Ms. Celestine Elizabeth Mascarenhas – Shareholder:**
- Hello, can you hear me?
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Yeah, we can hear you, go ahead.
- **Mrs. Celestine Elizabeth Mascarenhas – Shareholder:**
- Respected Chairman Pradip Shah, MD and CEO P. Srikar Reddy, other honourable directors in this virtual, my fellow shareholders attending this virtual meet, my name is Mrs. Celestine E. Mascarenhas and I'm attending from Mumbai. First of all, I thank the Company Secretary Madam Mangal Kulkarni and her team for sending me this e-Report and also registering me as a speaker on my request. The Annual Report is very informative, full of colours, self-explanatory and adhering to all the norms of corporate governance. Now coming to the working, Net Sales have gone up but PAT and PBT are down. EPS is also down. But we have got a very good Cash position of 622 crores, which is very good. Also, dividend of Rs. 14 per share with interim of Rs.

4. Also, what is very good is that we're enjoying a very good market cap. I really appreciate the mission vision value of our Company now. Now I come to the awards. Congratulations for all the awards and accolades received to the staff and to you. Also, I appreciate the CSR work done by our Company and our staff. Now my queries sir. I presume all our staff must be working from home. How many were affected by COVID, how many recovered and how many are vaccinated? How many are vaccinated with both doses? How much saving is derived by working from home? No. 2, transformation makes a difference. Yes, our Company has made a great difference in the last 4 years by transformation. Our Company is a global tech conglomerate specialising in platform base, digital transform, support business to become connected, intelligent and scalable. This is done by our Company through Platformation™. Sir, can you tell me how many customers were added in this last quarter on this Platformation™? The other shareholder asked whether we have separate platforms, that is okay, I will get that answer. Now CTRN (Commodity Trading and Risk Management) Platform, how much customers are on this product? What is the level of margin enjoyed here and what is the profit level? Next is, how many customers using Blockchain and cyber security and what is our core competence in this? Next is, we are into catering to customers who are on retail, manufacturing, distribution, travel services, software. Which is our domain, our core competence, and which gives us a good margin and where can we think of more demand? Looking at the balance sheet I see that we have 17 subsidiaries. What about consolidating and getting the economies of scale and strategies? While going through, I saw that 90% of our revenue is from export. But in the presentation, I also saw that there is lot from domestic. Please give your comments on this. For inorganic growth, we have acquired, but how many more are there for acquiring? Sir lastly, the roadmap for the next 3 years, Capex with COVID in mind and what lessons have we learnt from this COVID 1 and 2? Lastly, I support all the resolutions. May our company grow from strength to strength, and I wish you and the entire team good health to one and all. With this, thank you very much for giving me a patient hearing.

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

– Thank you Ms. Mascarenhas. I will now request Mr. Arun Kumar Boppana to please go ahead with your question.

– **Mr. Arun Kumar Boppana – Shareholder:**

– Hello. Good to see you after a long time.

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

– Nice to see you too.

– **Mr. Arun Kumar Boppana – Shareholder:**

- Thanks to Mangal Kulkarni. Good afternoon to everybody and thanks to Mangal Kulkarni for arranging this seamless VC. The Corona did devastate people, but it gave new opportunities for technology and compliments to the management of Sonata in handling the downside of carrying tech debt. Sonata’s efforts are magical with all round success and empowerment. Compliments to Srikar Reddy and team for saving us from the negative impact of the pandemic. Sonata rose to interpret and realign plans and strategies to adapt and meet challenges of ever evolving IT and digital ecosystems. The downside for Sonata was probably only in terms of lost opportunities as worldwide growth engines lost steam. Clients postponed new projects which otherwise would have meant fresh business for Sonata. The proactive outreach of Sonata touched all employees, virtually to foster physical and emotional wellness brought Sonata closer together. My questions Sir. IT industry is expected to have an enormous impact potential as IDC worldwide, ICT spending to reach 5.7 trillion by 2023. Your comments? What are Sonata’s contributions in AI and IoT to improve mismatch and new skill predictability in the fourth industrial revolution? What will be Sonata’s role in emerging economies to increase jobs, reduce poverty, to strengthen social stability? What are COVID’s impact on H1-B visas, immigration on execution on projects? Is moving to cloud the answer? What is the next normal for the tech industry after Corona – work from home or to office they come? Ironically, 80% of the world trade now flows through countries declaring political stability. How do you hitch these disruptions? With AI algorithm out of human radiologist at detecting disease from medical images. Old diagnosis cost the healthcare industry billions of dollars every year, and he has the potential to dramatically reduce this problem. Will Sonata be interested in that field? Our research used AI to identify promising new molecules which potentially inhibit the spread of this virus too. In conclusion sir, I’m proud. Cost is the king and cash is the queen. Sonata has so much of cash. I hope you and Srikar’s team handle it well. It is not the changing world; it is how we interpret the changing that affects us most. I wish Sonata all the best. Thank you so much.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you Mr. Boppana, appreciate it. Mr. Kirti Shah, may I request you to go ahead with your questions please.
- **Mr. Kirti Shah – Shareholder:**
- Chairman Sir, good afternoon. I would first like to thank your secretarial team. I hadn’t received the email yesterday, but the moment I spoke, I got it today and I was immediately able to login. For some reason the link must have not come yesterday, but the moment it came today, I was able to join. It’s very good that I was able to access the meeting immediately inspite of the meeting having already started. What I’m trying to say is that your teamwork is very strong! Chairman sir, Mr. Agarwal, Ms.

Celestine and Mr. Boppana have said a lot and hence I don't have to say much. But being in the software industry, why don't you want to venture into the financial sector? The financial sector will be a worldwide demand for a software company. There will be a need for the same in India too. So, it would be good if you develop software in the finance sector for India too. Now that the world market is bad, it's better if you divert such business to India to stabilise and balance things out. Please give that a thought. Wish you all the best. Thank you very much.

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

– Thank you, Mr. Shah.

– **Mr. Kirti Shah – Shareholder:**

– And please spend more money in CSR activities. God has blessed you with lot of money. You have a cash balance of 620 crores. Instead of 2%, think of spending 3% in CSR. In doing good work I'm sure you'll get good returns. Thank you.

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

– Thank you, Mr. Shah. I will now turn to Mr. Praful Chavda. Please go ahead and ask your question sir.

– **Mr. Praful Chavda – Shareholder:**

– Sir can you hear me?

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

– Yes.

– **Mr. Praful Chavda – Shareholder:**

– Sir thank you. I'm first time attending the meeting of Sonata Software. I've been a shareholder for a long time but I've never got the change to attend a meeting. During these Corona times I have finally gotten a chance. I'm thankful to the board of directors for giving us good dividend. We have 7 bank accounts, which is a good thing. It's good to have accounts in different banks because you never know which bank will shut down when. It's important to keep accounts in different banks so that our employees' salaries do not get affected. The company is doing good work, but there is something that saddens me. I tell this to all companies and I'm even requesting you. You put in so much money in CSR, what benefit has it given? When you make a school, you would have children who turn out to be doctors, engineers, CIC officers or other big grade officers. But how has this benefited the Company? Instead, why don't you encourage children who are preparing for the Olympic so

that they get ready to compete 10 years from now? When we hear stories of the recently concluded Olympic medallists, we get to know that they didn't have shoes to wear, they had no money to travel, etc. In spite of all these hardships, they have worked hard to make our Country proud and themselves proud too by getting silver medals. If our company had only given them 1 lakh each during their hardship days, 1 lakh is chicken feed, but if we had even given them that, it would have made no difference to us but lots of difference to them, and also, our company would become famous. I believe if one starts, the others will follow. In future I would request you to sponsor talented sportsmen. Leave aside cricket because there is no shortage of funds there. Only the rich men's kids play cricket, the poor don't play cricket. I would request you to help such children who need help in their training days so that they excel in the field of sports. Then it will be known that because of Sonata Software's help, a child (boy or girl) was able to win a Gold medal, a Silver medal or a Bronze medal. That way even Sonata will get a mention. These are my thoughts sir. Thank you to you and also to your secretarial department for doing a good job. Thank you, sir.

- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you Mr. Chavda. We will now turn to the next shareholder Mr. Yusuf Rangwala.
- **Ms. Mangal Kulkarni- Company Secretary, Sonata Software Ltd:**
- Sir, Mr. Bimal Kumar Agarwal is next. After that is Mr. Yusuf Rangwala's turn.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Sorry, my apologies. Mr. Bimal Kumar Agarwal, I'm sorry. I missed out your name.
- **Mr. Bimal Kumar Agarwal – Shareholder:**
- No problem. Hello, good evening. Can you hear me?
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Yes yes.
- **Mr. Bimal Kumar Agarwal – Shareholder:**
- Good evening to you'll. First of all, I'd like to thank the Company Secretary and her team for excellent work. As you have declared 1,400% dividend, I'm very much happy. On a Re. 1 share is very good. Now I'll come to the questions. Please provide me insights into the growth rate for the Company business over the next 3 years. The pandemic has resulted in increased spend by the customer which has helped the

Company. What is the take on the growth rate in the coming years? Due to increased demand for software developers, costs are rising. What is the company's game plan to improve the margin? Thank you very much.

- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you, Mr. Agarwal. I will now turn to Mr. Rangwala to ask his question. Mr. Yusuf Rangwala. Mr. Yusuf Rangwala? I think he is not present.
- **Ms. Mangal Kulkarni- Company Secretary, Sonata Software Ltd:**
- We are just checking sir. Divakar, can you move him from attendees to panellist.
- **Mr. Divakar B – Secretarial Team:**
- Yes ma'am, we have moved him to panellist, but sir's audio is not connecting.
- **Ms. Mangal Kulkarni- Company Secretary, Sonata Software Ltd:**
- Okay. Sir, we can go ahead.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Yes, we will see if we can have him to speak later.
- **Ms. Mangal Kulkarni- Company Secretary, Sonata Software Ltd:**
- Sure sir.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you. I now request Mr. Srikar Reddy to answer the questions raised by the shareholders. Srikar?
- **Mr. P. Srikar Reddy - MD & CEO, Sonata Software Ltd:**
- Yeah. Thank you Pradip and thank you Mr. Vinod Agarwal, Ms. Celestine, Mr. Arun Boppana, Mr. Kirti Shah, Mr. Chavda, Mr. Bimal Agarwal.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- We are losing you.
- **Mr. P. Srikar Reddy - MD & CEO, Sonata Software Ltd:**
- Sorry. I'll bucket all the questions instead of dealing with each question one by one. I think there were questions around the overall cost of people and cost savings. I think

the cost of people has reduced because I think of the business which had come down at the beginning of the year. The overall number of people had decreased in the 1st half of the year, to that extent reducing the cost, not that we were paying anything less. We at the senior management and the Board had taken a reduction, but then we said that we will repay it back. So, while at the beginning we had said we'll take some austerity measures, but overall, the rest of the people there has been on change. In fact, we actually increased compensation in January of last year. The only cost saving which is happening because of the pandemic is not because people are working from home or things like that, but I think a big saving has come in travel. The overall business travel has come down. The exact number can be given by the Finance Department, but it could be between 18-20 crores of savings of business travel which otherwise would have taken place. Otherwise, when people work from home, we actually compensate them for their connectivity and other devices which they need to have a very comfortable work from home model. So, the costs are almost the same, if not more when people work from home so there's no saving from shutting down offices.

- There have been overall questions on Platformation™, what is it? How many clients do we have? How is it benefitting clients? What are the different platforms that we have? As I said many times, Platformation™ is a concept of creating digital platforms for enterprises to do digital transformation. One of the ways to achieve that Platformation™ is to use Sonata's platforms, whether it is CTRM or Rezopia or Brick & Click, whatever. But you can also build custom platforms. As I said in my presentation, we continue to see an increase in the number of Platformation™ customers we have and the number of people who are adopting our own platforms. And we see that as what will drive the growth of the company as we go forward.
- There have been questions about the financial services industry and why are we not very prominently playing there and what are our plans? So yeah, while we agree that that is one of the largest factors of investment, we believe currently, the industries we operate in is where we have competitive advantage. We see there is a huge avenue for growth there. We want to continue to win in areas where we think we are stronger. We'll also use strategic M&A opportunities like we did Encore and because of which we now have entry into the healthcare and logistics industry. We'll look at creative opportunities aligned to our M&A strategy to get into new industry verticals. Otherwise, the belief of the Company today is that the industries and services we offer today and the geographies we operate in, have a tremendous runway and if we all focus on that, we can have more than an industry leading growth opportunity for the Company if we execute on these current opportunities very well.
- There were questions around overall growth plans, growth strategies. I did mention in my presentation that we see the opportunity in the enterprises to digitise more is

tremendous. The opportunity for us is tremendous. I think if we execute well, as I said, we can have a greater than industry leading growth for ourselves. Our India business is doing extremely well and we'll continue to see solid growth there. So overall, over the next 2-3 years, I think the challenge, as somebody asked, is going to be talent, at least in the immediate short term. Somebody asked a question about what our plans are as costs are going up for talent? I think there are various things we are doing. One is, creating our own talent and not depending on going into the market every time we need talent. We are also looking at other low-cost centre opportunities in the rest of the world to minimise the risk for us, as I mentioned. So, we have taken cognizance that talent will be a big factor. And as I said, we have also had a very senior executive for talent transformation. So, the Company is making all the investments to ensure that we have the necessary talent to grow our business.

- There have been comments about our CSR spends and where we spend, what we should spend upon. There were some interesting, good ideas on where we should spend. We'll take all these ideas and see what we can do out of it. As of now we have a policy on education, environment, healthcare and heritage; I think that's where we are investing in. But we'll look at other opportunities where we can support various key initiatives of the Organisation.
- There were questions about the new technology the Company is investing in, in IoT, cyber security, Blockchain, artificial intelligence, virtual reality and there were general questions about how it can help in the overall fourth industrial revolution. Obviously, all these technologies have a big impact to play on improving quality of life of people, especially people who are not well off. I think there is tremendous opportunity to help. Obviously, we are not in the business of that, but we are investing, as we go forward, in all these technologies to see how we can help our clients for them to become more competitive.
- I think I have addressed most of the questions which the people had asked. So, thank you all very much for your interest. Back to you Pradip.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Thank you Srikar.
- **Ms. Mangal Kulkarni- Company Secretary, Sonata Software Ltd:**
- Sir, Mr. Yusuf Rangwala may be joining Sir. We will just try to connect him one more time.
- **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**
- Okay sure.

– **Mr. Yusuf Rangwala – Shareholder:**

- Respected Chairman, good afternoon. I am very happy with our Company Secretary Ms. Kulkarni madam and her team for giving me a chance Sir. Sir, today our rate is 488. It shows how our shares are growing sir. Sir, when was the last bonus given? Sir, I am very happy with your Chairman's speech and Sir, it will be very knowledgeable. I am very happy sir. We are a leading software manufacturing company having around 4,000 workers as you mentioned in your opening speech. Sir, as we are one of the leading software manufacturers, I would like to know how many clients do we have from US and how many foreign clients do we have? And how many people were affected due to COVID-19 from our Company in the US and here? Sir, we are missing seeing you face to face. Next year, if possible, you keep a face-to-face meeting. There's a difference in meeting face to face and meeting virtually. You don't give us a feeling that you're such a big Chairman. And Kulkarni madam, I would like to thank you for keeping us connected during these COVID-19 times. I support you fully. And Sir, like Infosys, please keep a get together somewhere during Diwali. Thank you very much. Wish you a Happy Diwali, Happy Dusshera and for all the festivals. Thanks again Madam. Jai Hind!

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

- Thank you Mr. Rangwala. I will just ask Srikar to answer the couple of questions that he had on the COVID-19 situation in US?

– **Mr. P. Srikar Reddy - MD & CEO, Sonata Software Ltd:**

- Thank you Mr. Rangwala. I think the situation is getting better. Even previously somebody asked how many people have we vaccinated? We have vaccinated close to now 80% of the Company. Some of them have gone back to their native places where vaccines are currently not available, but we attempt to vaccinate everybody. And we see in the western world, especially in the US, Europe, I think with the vaccination, there is less threat of COVID and they are more open. People are having business meetings, so on and so forth. You also expressed your interest for in-person meetings. I think we are all looking forward to that, to get back to normalcy. We hope we can do that in person soon, God willing. Thank you.

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

- Thank you Srikar. Now members may note that voting on 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. Mr. M.V. Bhat, Practicing Company Secretary as the scrutiniser to supervise the e-voting process. The combined results of the remote e-voting and the e-voting done at the meeting today will be declared on receipt of the Scrutiniser's Report and



Sonata Software Limited
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placed on the Company's website and submitted to the stock exchanges as per the requirements under the SEBI Listing Regulations. On behalf of our board of directors and management of Sonata, thank you all for attending this meeting and taking interest in the Company. I hereby declare the proceedings of this Annual General Meeting as closed. Thank you again.

– **Ms. Mangal Kulkarni- Company Secretary, Sonata Software Ltd:**

– Thank you, sir. Thank you, all the board members.

– **Mr. Pradip P. Shah - Chairman, Sonata Software Ltd:**

– Thank you, all the directors.

– **Mr. P. Srikar Reddy - MD & CEO, Sonata Software Ltd:**

– Thank you everybody. Bye.

– ***END OF MEETING***