

REPORT ON CORPORATE GOVERNANCE

Your Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and hereby presents the following Corporate Governance Report for the Financial Year 2020-21 based on the said requirements.

I. A BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Sonata Software Limited (“the Company”) is committed to good Corporate Governance. The fundamental objective of the Company’s Corporate Governance is “enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders without compromising on compliances of any laws and regulations.”

II. BOARD OF DIRECTORS

Your Company’s Board of Directors comprises of an optimum combination of professionals with expertise, diversity and Independence. The Board of Directors of your Company as on 31st March, 2021 comprised of six Directors of whom one is a Non-Executive Promoter Director, one is a Non-Executive Director, one is an Executive Director and three are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 (“the Act”). The Chairman of the Board is an Independent Director.

None of the Directors on the Board holds directorships in more than seven listed companies or ten public companies or as Independent Director in more than seven listed companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he or she is a Director. None of the Directors are related to each other.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of each Independent Director is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Further, the Independent Directors have included their names

During the year, familiarisation programme was imparted to all the Directors of the Board. Details of the familiarisation programme is available on the Company’s website at <https://www.sonata-software.com/about-us/investor-relations/corporate-governance>

The names, designation, categories of the Directors and their shareholdings in the Company as on 31st March, 2021 are furnished below:

Name of the Director	Designation	Category	Equity shareholdings in the Company
Mr. Pradip P Shah (00066242)	Chairman	Independent Director	Nil
Mr. S B Ghia (00005264)	Director	Non-executive Director	5,000
Mr. Viren Raheja (00037592)	Director	Promoter, Non-Executive Director	82,50,000
Mr. P Srikar Reddy (00001401)	Managing Director & CEO	Executive Director	12,01,500
Ms. Radhika Rajan (00499485)	Director	Independent Director	Nil
Mr. Sanjay K Asher (00008221)	Director	Independent Director	Nil

in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The Board is of the opinion that all the Independent Directors of the Company fulfill the conditions specified under Listing Regulations and are independent of the management of the Company. Further, all the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by the Securities and Exchange Board of India /the Ministry of Corporate Affairs (MCA) or any such statutory authority. In the opinion of the board, the Independent Directors fulfil the conditions specified in the applicable regulations and are independent of the management. The Company has obtained a Certificate to this effect from Mr. Parameshwar G Hegde, Practising Company Secretary (CoP No: 640), Bengaluru, as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Committee /Board meetings in FY 2020-21 were held through Video Conferencing.

During the Financial Year 2020-21, four meetings of the Board were held with a time gap of not more than one hundred and twenty days between any two consecutive meetings. These meetings were held on 11th May, 2020, 10th August, 2020, 6th November, 2020 and 4th February, 2021. The necessary quorum was present at all the meetings. The video-conferencing facilities were arranged for Directors for participating in Board and Committee Meetings, in consonance with the applicable Laws and Regulations

During the Financial Year 2020-21, information as mentioned in Schedule II Part A of the Listing Regulations has been placed before the Board for its consideration. The Board obtains declarations from the respective functional heads confirming all the applicable Laws were complied with during the Financial Year under review.

In accordance with Section 149 read with Schedule IV to the Act, and Listing Regulations, a meeting of the Independent Directors was held during the Financial Year 2020-21 without the attendance of the Non-Independent Directors and members of the management.

Details of Directors attendance during the Financial Year 2020-21 and at the last Annual General Meeting, number of Directorships in other Indian companies and committee memberships/Chairmanship held by them in Indian public companies as on 31st March, 2021 are furnished below:

Name of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Attendance at last AGM held on 11 th August, 2020	No. of Directorships held in other Indian Companies	No. of Committee Memberships/ Chairmanship held in other Indian Public companies*	
					As Chairman	As Member
Mr. Pradip P Shah	4	4	Yes	14	2	5
Mr. S B Ghia	4	4	Yes	2	1	4
Mr. Viren Raheja	4	4	No	18	0	3
Mr. P Srikar Reddy	4	4	Yes	3	0	2
Ms. Radhika Rajan	4	4	Yes	2	1	3
Mr. Sanjay K Asher	4	4	Yes	13	4	6

Note: *Includes only Committee Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee

Due to the exceptional circumstances caused by the COVID-19 pandemic and travel restrictions all Board meetings in FY 2021 were held through Video Conferencing.

List of Directorship held in other Listed Companies and the category of directorships

Name of the Director	Directorship in other listed entities	Category of Directorship
Mr. Pradip P Shah	Kansai Nerolac Paints Limited	Non-Executive - Independent Director, Chairperson
	Pfizer Limited	Non-Executive - Independent Director
	KSB Limited	Non-Executive - Independent Director
	BASF India Limited	Non-Executive - Independent Director
	Bajaj Auto Limited	Non-Executive - Independent Director
Mr. S B Ghia	Bajaj Holdings & Investment Limited	Non-Executive - Independent Director
	Futura Polyesters Limited	Managing Director
Mr. Viren Raheja	Alkyl Amines Chemicals Limited	Non-Executive - Independent Director
	Hathway Cable and Datacom Limited	Non-Executive - Non Independent Director
Mr. P Srikar Reddy	Visaka Industries Limited	Non-Executive - Independent Director
	Palred Technologies Limited	Non-Executive - Non Independent Director, Chairperson
Ms. Radhika Rajan	3M India Limited	Non-Executive - Independent Director
Mr. Sanjay K Asher	Repro India Limited	Non-Executive - Independent Director
	Deepak Nitrite Limited	Non-Executive - Independent Director
	Sudarshan Chemical Industries Limited	Non-Executive - Independent Director
	Tribhovandas Bhimji Zaveri Limited	Non-Executive - Independent Director
	Ashok Leyland Limited	Non-Executive - Independent Director
	Indusind Bank Limited	Non-Executive - Independent Director

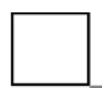
Board Skill Matrix

Your Board had cautiously considered and identified an optimised mix of the Skills, Expertise, Competencies essentially required by the Company in the context of its sector. This was so done to ensure functioning of the business effectively and it has been confirmed that the Board has the required skills defined in the matrix provided below.

These attributes primarily and broadly are:

- i. General Management of Corporate Affairs, Corporate Governance
- ii. General Information Technology and related fields; General IT Knowledge
- iii. Law, Taxation, Finance, Foreign Exchange related
- iv. Behavioural science
- v. Strategy Management
- vi. Leadership abilities

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill. Profile of all Directors available on the company's website at www.sonata-software.com.



Director	Area of expertise / skills /competence					
	Corporate Governance	General IT knowledge	Law/Tax/ Finance	Behavioural Science	Strategy management	Leadership abilities
Mr. Pradip P Shah	✓	✓	✓	✓	✓	✓
Mr. S B Ghia	✓	✓	✓	✓	✓	✓
Mr. Viren Raheja	✓	✓	✓	✓	✓	✓
Mr. P Srikar Reddy	✓	✓	✓	✓	✓	✓
Ms. Radhika Rajan	✓	✓	✓	✓	✓	✓
Mr. Sanjay K Asher	✓	✓	✓	✓	✓	✓

III. AUDIT COMMITTEE

The Audit Committee was constituted in accordance with the requirements of the statutes.

• Terms of Reference

The roles, responsibilities and the terms of reference of the Audit Committee inter-alia include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
5. Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
6. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
7. Reviewing, with the management the quarterly financial statements before submission to the Board for approval;
8. Reviewing, with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
10. Approval or any subsequent modification of transactions of the Company with related parties;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the Company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing, the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there-on;
17. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. Discussion with Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. To Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

20. To Review the functioning of the Whistle Blower mechanism;
21. Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
22. Review the financial statements, internal audit reports, related party transactions and such other information as required under the Act or the Listing Regulations.

In addition to the above, the Audit Committee discharges all such other duties and functions generally indicated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the Rules made thereunder.

During the Financial Year under review, the Audit Committee met Four times on 11th May, 2020, 10th August, 2020, 6th November, 2020 and 4th February, 2021.

The Audit Committee generally invites the Chief Financial Officer, VP-Finance & Accounts and representatives of the Statutory Auditors and Internal Auditors to the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

Details of Composition and Attendance of the Audit Committee Meetings:

Name of the Director	Category	Position	Number of Audit Committee Meetings	
			Held during the tenure	Attended
Mr. Pradip P Shah	Independent Director	Chairman	4	4
Mr. S B Ghia	Non-executive Director	Member	4	4
Ms. Radhika Rajan	Independent Director	Member	4	4
Mr. Sanjay Asher	Independent Director	Member	4	4

2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every directors' performance;
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

In addition to the above, Nomination and Remuneration Committee discharges such duties and functions generally indicated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and Rules made thereunder.

During the Financial Year under review, the Nomination and Remuneration Committee met three times on 11th May, 2020, 6th November, 2020 and 4th February, 2021.

• Details of Composition and Attendance of the Nomination and Remuneration Committee Meetings

Name of the Director	Category	Position	Number of Nomination and Remuneration Committee Meetings	
			Held during the tenure	Attended
Mr. Sanjay Asher	Independent Director	Chairman	3	3
Mr. S B Ghia	Non-Executive Director	Member	3	3
Mr. Viren Raheja	Promoter, Non-Executive Director	Member	3	3
Mr. Pradip P Shah	Independent Director	Member	3	3

• Performance evaluation criteria

The Performance evaluation criteria of Independent Directors are determined by the Nomination and Remuneration Committee and the details of the same is provided in the Board's Report.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted in accordance with the requirements of the statutes.

• Terms of Reference

The roles, responsibilities and the terms of reference of the Nomination and Remuneration Committee inter-alia include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;



• Details of remuneration paid/payable to all the Directors during the Financial Year ended 31st March, 2021

(₹ in Lakhs)

Name	Salary & Perquisites	Commission & Sitting fees	Shares issued under ESOP	Details of service contracts, notice period & severance fees
Mr. Pradip P Shah	Nil	43	Nil	-
Mr. P Srikar Reddy	329	176	Nil	A new contract dated 25.11.2019 has been signed effective 14.02.2020 for a period of three years. The ESOPs will be granted as per the employment agreement dated 25.11.2019 Further the notice period is of six month's and severance fees of ₹ 102 Lakhs spread over a period of 1 year 6 months.
Mr. S B Ghia	Nil	43	Nil	-
Mr. Viren Raheja	Nil	Nil	Nil	-
Ms. Radhika Rajan	Nil	43	Nil	-
Mr. Sanjay Asher	Nil	42	Nil	-

• **Criteria for making payments to Non-Executive Directors**

The Shareholders at their meeting held on 13th August, 2018 had, by way of Special Resolution authorised the Board of Directors of the Company to pay commission to Non-Executive Directors in such amounts or proportions which cumulatively shall not exceed 1% of the net profits of the Company in any Financial Year.

Further, as authorized by the Board in the meeting held on 14th February 2012, all Non-Executive Directors are also being paid a sitting fee of Rs. 20,000/- for each meeting of the Board and Committee attended by them from Financial Year 2012-13 onwards.

During the Financial Year under review, the Stakeholders' Relationship Committee met four times on 11th May, 2020, 7th August, 2020, 5th November, 2020 and 3rd February, 2021.

• **Details of Composition and Attendance of the Stakeholders Relationship Committee Meetings**

Name of the Director	Category	Position	Number of Stakeholders Relationship Committee Meetings	
			Held during the tenure	Attended
Mr. S B Ghia	Non-executive Director	Chairman	4	4
Mr. P Srikar Reddy	Executive Director	Member	4	4
Ms. Radhika Rajan	Independent Director	Member	4	4

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted in accordance with the requirements of the statutes.

• **Terms of Reference**

The roles, responsibilities and the terms of reference of the Stakeholders' Relationship Committee *inter-alia* include the following:

1. Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

- During the Financial Year under review 61 investor grievances were received and all of them were successfully resolved.

The Board has appointed Ms. Mangal Kulkarni, Company Secretary, as the Compliance Officer, as required under the Listing Regulations and the Nodal Officer to ensure compliance with the IEPF rules.

VI. CORPORATE SOCIAL RESPONSIBILITY "CSR" COMMITTEE

The CSR Committee was constituted in accordance with the requirements of the statutes.

• **Terms of Reference**

The roles, responsibilities and the terms of reference of the CSR Committee *inter-alia* include the following:

1. Formulate and recommend to the Board, Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above.
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time by setting-up a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

The CSR Committee met two times during the Financial Year 2020-21 i.e. on 11th May, 2020 and 4th February, 2021.

• **Details of Composition and Attendance of the CSR Committee Meetings**

Name of the Director	Category	Position	Number of Corporate Social Responsibility Committee Meetings	
			Held during the tenure	Attended
Mr. S B Ghia	Non-executive Director	Chairman	2	2
Mr. P Srikar Reddy	Executive Director	Member	2	2
Ms. Radhika Rajan	Independent Director	Member	2	2

VII. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the Listing Regulations, the Board of Directors has constituted the Risk Management Committee on 13th August, 2018. The composition of the Committee is in conformity with the Listing Regulations, with majority of members being Directors of the Company.

• **Terms of Reference**

The roles, responsibilities and the terms of reference of the Risk Management Committee inter-alia include the following:

1. To assess the Company's risk profile and key areas of risk in particular;
2. To articulate the Company's policy for the oversight and management of business risks;
3. To evaluate risk management procedures including risk recognition, assessment and minimization of risk;
4. To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas
5. To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
6. To review management's response to the Company's auditors' recommendations and those are adopted;
7. To review Cyber security measures taken by the Company;
8. Any other matter as delegated by the Board of Directors.

The Risk Management Committee met once during the Financial Year 2020-21 i.e. on 4th February, 2021.

• **Details of Composition and Attendance of the Risk Management Committee Meetings**

Name of the Director	Category	Position	Number of Risk Management Committee Meetings	
			Held during the tenure	Attended
Mr. Pradip P Shah	Independent Director	Chairman	1	1
Mr. Viren Raheja	Promoter, Non- Executive Director	Member	1	1
Mr. P Srikar Reddy	Executive Director	Member	1	1

Due to the exceptional circumstances caused by the COVID-19 pandemic and travel restrictions all Committee meetings in FY 2021 were held through Video Conferencing.

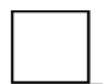
VIII. SHAREHOLDERS MEETINGS

• **Details of last three AGMs held:**

Financial Year	Date	Venue	Time
2017-18	13.08.2018	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, KaikhushruDubash Marg, Mumbai – 400 001	4.00 p.m.
2018-19	07.08.2019	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, KaikhushruDubash Marg, Mumbai – 400 001	4.00 p.m.
2019-20	11.08.2020	Held through Videoconferencing / other Audio visual means	4.00 p.m.

• **Special Resolutions passed in the previous three AGMs**

- a) Financial year 2017-18 – Yes, following Special Resolutions were passed:
 - i. Approve payment of commission to the Non-executive Directors of the Company
 - ii. Approve delivery of documents through a specific mode on request by the member upon payment of a requisite fee
 - iii. Approve reclassification of the status of promoter's shareholding into public shareholding.
 - b) Financial year 2018-19 – Yes, following Special Resolutions were passed for:
 - i. Approval of appointment of Mr. Pradip P Shah as an Independent Director for second term.
 - ii. Approval of appointment of Ms. Radhika Rajan as an Independent Director for second term.
 - c) Financial year 2019-20 – Yes, following Special Resolutions were passed:
 - i. Approval of appointment of Mr. Sanjay Asher as an Independent Director
 - ii. Approval of Re-appointment of Mr. P Srikar Reddy as the Managing Director and Chief Executive Officer of the Company
- None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.





IX. MEANS OF COMMUNICATION

- Quarterly results / other information

- The half yearly/ quarterly results are generally published in Business Standard (all India edition) and in Navshakti (Mumbai edition).
- The quarterly financial statements, press releases, shareholding pattern and presentations made to analysts/ institutional investors are posted on Company's website <http://www.sonata-software.com>.
- Presentations made to the institutional investors and financial analysts on the Company's financial results are uploaded on the Company's website.
- Your Company also sends quarterly financial updates to all the Shareholders whose e-mail IDs/addresses are registered/ available with the RTA and the Company.
- Frequently Asked Questions (FAQs) giving details about the Company and its shares is uploaded on the Company's website at <https://www.sonata-software.com/about-us/investor-relations>

X. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

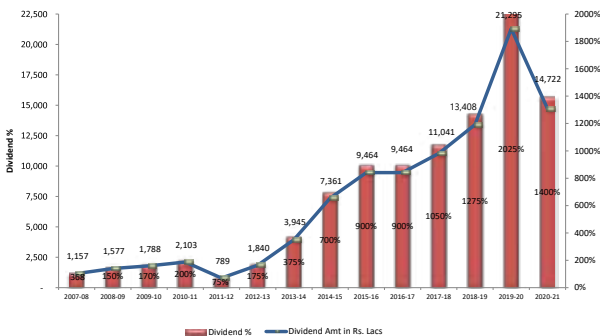
The ensuing Annual General Meeting of the Company will be held on Monday, 16th day of August, 2021 at 4.00 p.m. through Video Conferencing (VC) /Other Audio Visual Means (OAVM). Pursuant to the MCA Circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI Circular dated May 12, 2020 which dispensed the requirement to conduct AGM at a venue for meetings scheduled in the calendar year 2021. For details of VC/ OAVM please refer to the Notice of this AGM.

2. Financial Year

The financial year of the Company is from 1st April to 31st March every year.

3. Payment of Dividend

The Company paid interim dividend of ₹ 4.00/- per equity share (400%) on 26th November, 2020 The Company has recommended final dividend of ₹ 10 /- per equity share (1,000%) subject to the approval of the shareholders at the ensuing AGM.



4. Listing on Stock Exchanges & Stock Code

- (a) Your Company's equity shares are listed and traded on the following stock exchanges :

BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001 Stock Code: 532221	National Stock Exchange of India Ltd (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 Stock Code: SONATSOFTW
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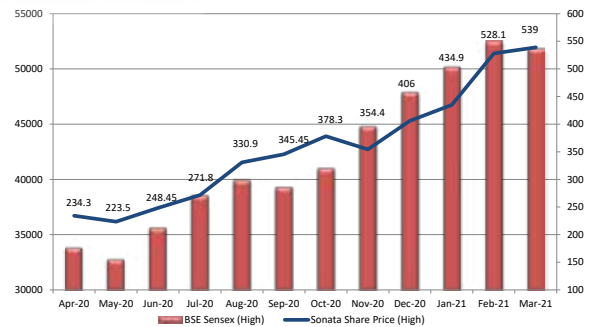
- (b) Listing fees for the financial year 2021-22 has been paid to the above-mentioned stock exchanges.
- (c) As on 31st March, 2021 your Company had 72,678 shareholders.

5. Stock Market Data

- (a) Market Capitalization as on 31st March, 2021: ₹ 5,356.29 Crores (Based on closing price in BSE)
- (b) Number of shares traded during FY 2020-21: BSE: 97 Lakhs & NSE: 1327 Lakhs
- (c) The monthly high and low quotations of shares traded at BSE and NSE during financial year 2020-21 and performance in comparison with BSE Sensex are as given below:

(Amount in ₹)

Month	BSE		NSE		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High	Low
Apr-20	234.3	161	234.3	160	33887.25	27500.79
May-20	223.5	184.85	223.65	185	32845.48	29968.45
Jun-20	248.45	203.4	248.7	203	35706.55	32348.1
Jul-20	271.8	227.05	271.8	228	38617.03	34927.2
Aug-20	330.9	265	331	264	40010.17	36911.23
Sep-20	345.45	300.9	346	301.2	39359.51	36495.98
Oct-20	378.3	310	378.7	310.2	41048.05	38410.2
Nov-20	354.4	300.8	354.9	299.75	44825.37	39334.92
Dec-20	406	336	405.35	340	47896.97	44118.1
Jan-21	434.9	381.35	435	381.2	50184.01	46160.46
Feb-21	528.1	353.95	527.8	355.55	52516.76	46433.65
Mar-21	539	452.2	539	452.6	51821.84	48236.35



6. Share Transfer System / Investor Service

As the Company's shares are traded in dematerialized form, transfer requests are processed and approved in electronic form by NSDL/CDSL through their depository participants.

A Practicing Company Secretary reviews on quarterly basis the Reconciliation of Share Capital as prescribed by SEBI and such report is placed before the Board and submitted to the Stock Exchanges also.

The Securities and Exchange Board of India has specified that the shares of the Company would be traded only in demat form effective 29 November 1999. Further, the Securities Exchange Board of India, had vide its notification No. SEBI/LAD-NRO/ GN/2018/24 dated 8 June 2018 and a press release dated 3 December 2018, have restricted transfer of shares in physical form effective 1 April 2019. except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March

31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

Details of complaints received and resolved from 1st April, 2020 to 31st March, 2021:

Complaints	Received	Attended to	Pending
Non-receipt of dividend	58	58	0
Non-receipt of Annual Report	2	2	0
Others	1	1	0
Total	61	61	0

7. Distribution of shareholding

(a) Distribution Schedule

Range of equity shares held	As on 31 st March, 2021				As on 31 st March, 2020			
	No. of share holders	% to total holders	No. of shares	% to total shares	No. of share holders	% to total holders	No. of shares	% to total shares
1-500	65111	89.59	4706370	4.48	42288	87.18	4044928	3.90
501-1000	3598	4.95	2941333	2.80	3022	6.23	2520075	2.40
1001-5000	3078	4.24	6597174	6.27	2391	4.93	5302897	5.04
5001-10000	395	0.54	2851660	2.71	321	0.66	2342308	2.23
Over 10001	496	0.68	88062769	83.74	483	1.00	90949098	86.49
Total	72678	100.00	105159306	100.00	48505	100.00	105159306	100.00

(b) Shareholding Pattern

Category	As on 31 st March, 2021				As on 31 st March, 2020			
	No. of share holders	% to total holders	No. of shares	% to total holders	No. of share holders	% to total holders	No. of shares	% to total holders
Promoters	7	0.01	29623450	28.17	7	0.01	29623450	28.20
Bodies Corporate	426	0.59	3191468	3.03	369	0.78	5059648	4.81
FIs / NRIs	1839	2.53	16023022	15.24	1446	3.0	13547847	12.88
FIs/Mutual Funds/Banks	23	23.00	13726998	13.05	15	0.03	14343075	13.64
Trusts	6	0.01	1286286	1.22	4	0.01	1265984	1.20
Clearing Members	204	0.28	230589	0.22	71	0.15	134471	0.13
Public	70173	96.55	41077493	39.06	45524	95.97	41184831	39.16
Total	72678	100.00	105159306	100.00	47436	100.00	105159306	100.00

8. Dematerialization of shares and liquidity

Your Company's shares are tradable only in electronic form. The Company has established connectivity with both the depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through Registrars and Share Transfer Agent KFin Technologies Pvt. Ltd.

The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE269A01021.

Details of Shares held in Physical and Electronic form:

Particulars	As on 31 st March, 2021		As on 31 st March, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Physical	796856	0.76	822281	0.78
Electronic	104362450	99.24	104337025	99.22
Total	105159306	100.00	105159306	100.00

Number of Shares dematerialized during FY 2020-21: 4875 Shares.

Number of Shares rematerialized during FY 2020-21: NIL



Sonata Software Limited

9. The Company does not have any outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments.

10. Office Locations

The addresses and contact details of offices/locations are given elsewhere in the Annual Report.

11. The details of credit rating of the Company as at March, 31, 2021 is given below:

Instrument details	Amount (in Crore)	Rating
Working Capital Facility	50 Cr	CRISIL A+/Stable

12. Tentative financial calendar for FY 2021-22

Financial results for the first quarter ending 30 th June, 2021	August, 2021
Financial results for the second quarter ending 30 th September, 2021	October, 2021
Financial results for the third quarter ending 31 st December, 2021	January, 2022
Financial results for the financial year ending 31 st March, 2022	May, 2022
Annual General Meeting for the year ending 31 st March, 2022	August, 2022

13. Address and contact details of the Company and Share transfer agents

Company Secretary Sonata Software Limited APS Trust Building, Bull Temple Road N R Colony, Bangalore - 560 004, India Tel: (080) 67782669, Email: investor@sonata-software.com Website: www.sonata-software.com	KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) Registrars and Share Transfer Agents Karvy Selenium Tower B, Plot No.31-32 Gachibowli, Financial District Nanakramguda, Hyderabad - 500 032, India Tel: (040) 67161591 Fax: (040) 23420814 Email: einward.ris@kfintech.com Website: https://www.kfintech.com
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XI. OTHER DISCLOSURES

A. Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

None

B. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years.

None

C. Vigil Mechanism

The Company has established and put in place a Vigil Mechanism which has been approved by the Board at its meeting held on 26th May, 2014 and subsequently revised by the Board at its meeting held on 9th February, 2016. This policy provides a secure framework to report genuine concerns about unethical behaviour, actual or suspected fraud, theft, bribery, misappropriation of Company funds, financial reporting violations, misuse of intellectual property, mismanagement, significant environmental,

safety or product quality issues, discrimination or harassment including sexual harassment, insider trading, actual or potential conflicts of interest, violation of Company's rules, Company's policies or violation of Code of Conduct of the Company.

The said policy has been communicated to the employees and is also available on the Company's website: https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/Sonata_Vigil_Mechanism.pdf

The Company affirms that no employee has been denied access to the Audit Committee during the Financial Year 2020-21.

D. Mandatory/Non-Mandatory Requirements

During the Financial Year 2020-21, the Company –

- (a) has duly complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) has adopted the following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - The Company has appointed separate persons to the post of Chairman and Managing Director. The Chairman of the Company is an Independent Director.
 - The Company allows a direct reporting of Internal Auditor to the Audit Committee.

E. Web Link where Policy for Determining 'Material' Subsidiaries is given Below-

The Policy for determining 'material' subsidiaries is posted on Company's website <https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/policy-on-determining-material-subsiidiaries.pdf>

F. Web Link where Policy on dealing with Related Party Transactions is given Below-

The Policy on dealing with related party transactions is posted on Company's website <https://www.sonata-software.com/sites/default/files/financial-reports/2019-09/related-party-transaction-policy.pdf>

G. Disclosure of Commodity Price Risk and Commodity Hedging Activities

Your Company does not have commodity price risk being in the IT sector and hence no commodity hedging is done.

H. Details of Utilisation of Fund

During the year your Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

I. Certificate from Company Secretary in Practice

The Company has obtained a certificate from Mr. Parameshwar G Hegde, a Company Secretary in practice, as required under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2018, that none of the

Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by the Practising Company Secretary is annexed to this Report.

J. Where the Board had not accepted any recommendations of any committee of the board which is mandatorily required, in the relevant financial year:

None.

K. Auditors Remuneration :

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, are as follows:

₹ in Lakhs	
Particulars	Amount
Remuneration for audit of the Company and its subsidiaries	114
Remuneration for other services	11
Re-imbusement of out- of pocket expenses	
Total	125

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

XII. NON-COMPLIANCE OF ANY REQUIREMENT OF THE CORPORATE GOVERNANCE REPORT OF SUB- PARAS (2) TO (10) OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, WITH REASONS SHALL BE DISCLOSED

The Company has complied with all the requirements of the Corporate Governance report of sub- paras (2) to (10) of part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XIII COMPLIANCE WITH THE CORPORATE GOVERNANCE CODES

The Company has complied with the Corporate Governance requirements specified in regulation 17 to 27 and clauses (b)

to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

XIV. DECLARATION

I, P Srikar Reddy, Managing Director & CEO of Sonata Software Ltd, to the best of my knowledge and belief, hereby declare that all the Directors on the Boards and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2021.

XV. TRANSFER OF UNCLAIMED / UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also require to be transferred to the demat account created by the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends. Further, the corresponding shares are transferred as per the requirement of the rules, details of which are provided on our website, at www.sonata-software.com. Members who have not yet encashed their dividend warrant(s) pertaining to the final dividend for the financial year 2013-14 and onwards are requested to make their claims without any delay.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

Pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting Audit Transfer and Refund) Rules 2016 as amended by the Ministry of Corporate Affairs with effect from 28th February, 2017 ("the Rules"), in case the beneficial owner has not encashed dividend warrant(s) during the last seven years, shares pertaining to such beneficial owners shall be required to be transferred to the Fund established by the Authority. Shareholders are therefore requested to contact Kfin Technologies Private Limited, Registrar and Share Transfer Agent with respect to their unclaimed dividends.

