

ANNUAL
REPORT 2020-21

PLATFORMATION™

MAKES THE DIFFERENCE



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PLATFORMATION™ MAKES THE DIFFERENCE

2020-2021 has been a year that is going to stay in all our memories for a long time. What makes it even more so for all of us at Sonata is how the entire company pivoted seamlessly to a work from home model and continued to meet & beat both business and customer expectations.

Sonata has emerged stronger from the pandemic across several fronts. Platformation™, Sonata's unique proprietary model of Digital Transformation for enterprises continues to resonate strongly helping our customers grow while positioning us as a Digital Transformation Partner of choice. Our relationship with Microsoft completed its 30th year and has never been stronger as we align to the Cloud and Data growth engines with Advanced Specializations that will help open new opportunities while offering more digital services to our existing customers. Our vision of offering a world class client experience is winning hearts and minds.



It's four years since we conceptualized Platformation™

Our unique proprietary model of digital transformation for organizations. The model was created after understanding how successful, born-digital companies have been able to create, deploy and scale their businesses in a way that promotes and supports rapid – and occasionally exponential – growth.

Platformation™ Makes the Difference

The name Platformation™, a portmanteau of platform and transformation, recognizes the power of platform architecture as a cornerstone of digital growth.”

Platformation™ brings a design-thinking approach, which looks at business processes as a series of platforms and identifies ways in which these platforms work together to maximize value.

The world today is in flux. Old business models have been upended. Digital is no longer an adjunct to business efficiency. It has become its lifeblood. Companies need more from their partners. Not just for digital transformation, but also to navigate an increasingly chaotic world of shifting consumer habits, multiple technology platforms and a future that holds great promise but even higher risks. However, enterprise transformation is never easy. Every customer is unique, every business is a unique combination of people, processes and products.

Over the last four years Platformation™ has shown its effectiveness by bringing to the table deep domain knowledge along with Sonata’s world-class consulting assets and knowledge of best practices – like the Customer Digital Agenda Template (CDAT), Platform Maturity Assessment tools, Digital Business Process Libraries and a 16-point Tech Platform Characteristics framework.

The ideas which we have adopted for Platformation™ are that firstly, one needs to conceptualize a business model that is platform based, then identify how to create open, scalable, connected and intelligent platforms to support them. The key is to identify platforms that need to be created to support these business models and visualize the digital transformation journey around the creation of these platforms.

Our Platformation™ strategy has been well complemented through our strategic investment and inorganic growth initiatives. We invested in platform technology companies that bring in unique IP – like a commodity trading platform, or R10x, a retail and distribution collaboration platform between consumers, retailers and manufacturers. These investments have enhanced differentiation, helped create unique value propositions and accelerated enterprise transformation.

4 years of Platformation™

Four years of Platformation™ have made a difference to Sonata, making it a strategic digital partner to our clients. The fact is that Sonata's model of building holistic digital companies by creating platform-based businesses enabled by technology platforms created and aligned to Platformation™ principles is unique. This is in opposition to the more general approach in the market by services companies that more focused on technology-led transformations. Sonata has now engaged with more than 40 clients who have benefitted from implementing Platformation™.

The engagements could be top-down and consulting led, or creating digital platforms or providing digital services or skills, but the difference the clients have perceived are benefits of Platformation™. The effort of over 4 years of transforming talent aligned to Platformation™, whether it is creating unified full stack engineers, designers, platform architects, digital strategists or digital client partners, is now being experienced by clients in the services they get from Sonata.

At Crawford & Company, the world's largest independent claims management company, Sonata has been an integral part of their digital journey.

"Sonata has helped us in this digital journey, building the Digital First notice of Loss (FNOL) platform using their Platformation™ approach".

- Daniel Volk,
Senior Vice President and Chief
Information Officer

For CPL Aromas, one of the world's largest fragrance houses, their digital agenda was executed with Platformation™-led insights.

"Sonata has been a strategic partner to us and has helped us by stabilizing our key business systems along with digital transformation based on Platformation™".

- Alfred Muthunathan,
Chief Information Officer

These are just some of the clients who have experienced the benefits of Platformation™ continue to engage with Sonata as a strategic partner in their digital journey.

Unprecedented Times

The post-Covid impact will only mandate customers accelerate their digital transformation journey. We anticipate clients will navigate the new normal by leveraging platforms - to address changes in customer behavior, reimagining / creating newer business models or fine-tuning existing digital services as they re-emerge. This further reinforces our platform-led strategy to digital transformation and positions us uniquely to support our clients navigate this change through Platformation™

We believe, going forward, continued focus on Platformation™ and aligning all our strategies and actions around it, will continue to sustain our unique leadership position in helping customers accelerate their enterprise digital transformation through Platformation™. We believe we are well positioned as a strategic partner of choice for our customers to help accelerate their digital agenda and transformation mandates.

The Sonata Footprint across the Globe



Sales Offices

North America

- Atlanta
- Chicago
- Fremont
- Colorado
- Dallas
- Redmond
- Bridgewater

UK

- London

Middle East & Africa

- Qatar
 - Dubai
- ### Europe
- France
 - Germany
 - The Netherlands
 - Denmark

APAC

- Singapore

Australia

- Sydney
- Melbourne
- Brisbane

Development Centers

Redmond

India

- Bengaluru (2)
- Hyderabad (1)

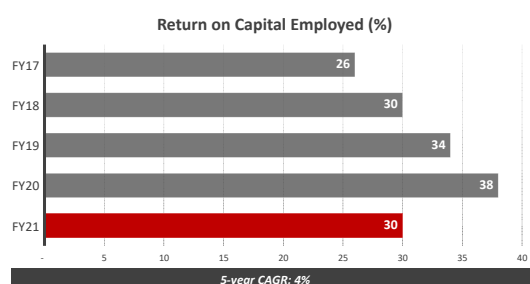
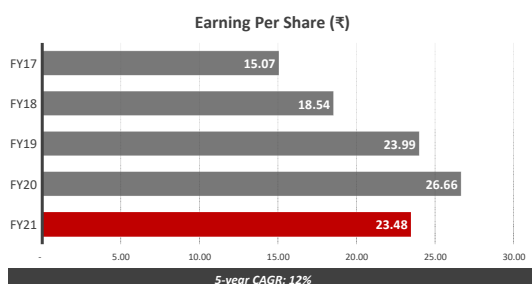
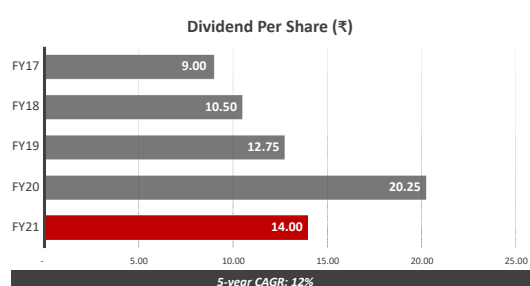
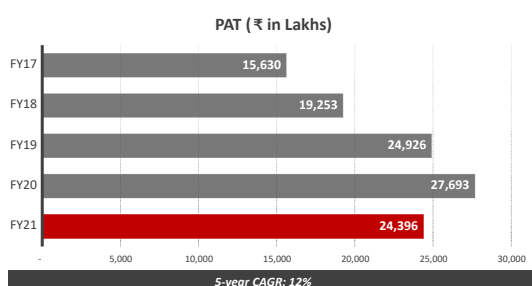
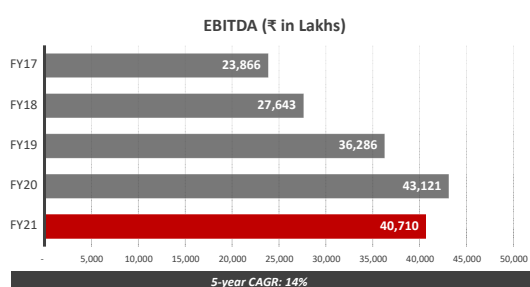
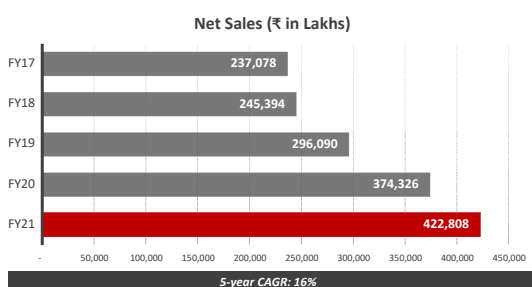
Offices

- Bengaluru
- Chennai
- Delhi
- Hyderabad
- Kolkata
- Pune
- Mumbai

Operational Highlights

In these unprecedented times, we have strived to become a stronger organization in terms of the quality of customers, relationships and internal investments, in creating world class competencies aligned to Platformation™ across platform engineering, cloud transformation, data analytics and Microsoft Dynamics. Owing to the uncertain environment, organisations all over the world are revisiting their business strategies and are investing rapidly in emerging technologies, Cloud migration and digital transformation to stay relevant. With strong visibility and business opportunity in the near future, Sonata is more focused now on investing for long term growth, in talent acquisition and transformation, IP and competency development. With our Platformation™ led strategy, alliances, acquisitions and investment, Sonata is well positioned to stand firmly with our customers in their journey of digital transformation in new normal era.

Financial Highlights



Successfully completed the integration of newly acquired company, GAPbusters Limited (GBW), headquartered in Melbourne, a leading global player in the Customer Experience (CX) domain serving renowned brands for nearly thirty years.

Sonata's unique 'Platformation™' strategy for Digital Transformation completed 4 years in March 2021.

Launched 'CXe', a unique enhanced integrated CX management solutions developed using the 'Platformation™' approach.

Sonata's Cloud strategy and assessment service is now available in the Microsoft Azure Marketplace, an online store providing applications and services for use on Azure.

Successfully completed ISO27001 Surveillance Audit in August 2020 in Remote delivery mode and projects from Global Village, Hyderabad, Head Office and Redmond Office in North America were covered. The remaining part of ISO9001 Surveillance audit was successfully completed in Remote delivery mode for Sonata Software Ltd in September 2020.

₹ in Lakhs

Key Financials	FY21	FY20	FY19	FY18	FY17
Net Sales	422,808	374,326	296,090	245,394	237,078
EBITDA	40,710	43,121	36,286	27,643	23,866
PAT	24,396	27,693	24,926	19,253	15,630
Net Worth	90,547	66,967	76,286	65,326	59,075
Debt	8,973	8,600	1,562	3,373	5,522
Debtors	61,579	70,000	81,111	39,644	51,991
Cash	64,811	31,149	33,608	54,318	38,097
Per Share Ratio (₹)					
EPS	23.48	26.66	23.99	18.54	15.07
DPS	14.00	20.25	12.75	10.50	9.00
BVPS	86.07	63.66	73.06	62.12	56.18
Margin Ratio (%)					
EBITDA Margin	10	12	12	11	10
Net Profit Margin	6	7	8	8	7
RoE	31	39	35	31	29
RoCE	30	38	34	30	26

Sonata Software at a Glance

Sonata is a global technology company specializing in platform-based digital transformation, supporting businesses to become connected, open, intelligent and scalable. Sonata's Platformation™ methodology brings together industry expertise, platform technology excellence, design innovation and strategic engagement models to deliver sustained value to customers. A trusted partner of world leaders in the retail, manufacturing, distribution, travel, services and software industries, Sonata's software portfolio includes the Brick & Click Retail Platform®, Modern Distribution Platform®, Rezopia Digital Travel Platform®, Kartopia E-commerce Platform®, Halosys enterprise development automation Platform®, CTRM Commodity Trading and Risk Management Platform® and KODO – AI Powered Customer Experience (CX) Platform. Sonata's Platformation™ approach ensures services built on Microsoft Dynamics 365, Microsoft Azure, AWS, Cloud Engineering and Managed Services deliver on the Platformation™ promise. As world leaders in digital technologies including IoT, Artificial Intelligence, Machine Learning, Robotic Process Automation, Chatbots, Block Chain and Cyber Security, Sonata's people and systems are nurtured to deliver on our commitment to excellence in business technology solutions.

Vision

To become a world class firm that is a benchmark for catalyzing business transformation for our clients, fulfilling employee aspirations and caring for our wider community, through depth of thought leadership, customer centricity and execution excellence.