



SEC/SE/037/21-22

Chennai, August 03, 2021

**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
P J Towers, Dalal Street,  
Mumbai – 400 001  
Scrip Code: 533121

**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051  
Scrip Code: EXPLEOSOL

**Sub: Submission of Annual Report for the Financial Year 2020-21 along with Notice of 23<sup>rd</sup> Annual General Meeting.**

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Dear Sir/Madam,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Financial Year 2020-21 along with Notice of 23<sup>rd</sup> Annual General Meeting of the Company.

You are requested to take the above on record and oblige.

Thanking you,

Yours faithfully,  
For Expleo Solutions Limited

S. Sampath Kumar  
Company Secretary and Compliance Officer  
Membership No. FCS 3838

Encl : As above.

EXPLEO SOLUTIONS LIMITED

# Annual Report

## FY 2020-2021



Think bold, act reliable

[ expleo ]

# Corporate information

## **BOARD OF DIRECTORS**

Ralph Franz Gillesen  
Chairman and Non-Executive Director

Prof. K. Kumar  
Deputy Chairman & Independent Director

Balaji Viswanathan  
Managing Director & CEO

Lilian Jessie Paul  
Independent Director

Prof. S. Rajagopalan  
Independent Director

Rajesh Krishnamurthy  
Additional Director (Non-Executive)

Rajiv Kuchhal  
Independent Director

Ulrich Bäumer  
Independent Director

## **CHIEF FINANCIAL OFFICER**

Desikan Narayanan

## **COMPANY SECRETARY**

S. Sampath Kumar

## **AUDITORS**

Kalyaniwalla & Mistry LLP  
Chartered Accountants  
Esplanade House, 29, Hazarimal Somani Marg, Fort  
Mumbai-400 001.

## **INTERNAL AUDITORS**

V. Chandrasekharan & Associates  
Chartered Accountants  
1<sup>st</sup> Floor, Kalpataru Complex, No.44, C.P. Ramaswamy Road, Alwarpet  
Chennai-600 018

## **BANKERS**

DBS Bank India Limited  
Cathedral Road, Chennai-600 086

ICICI Bank Limited  
Bazullah Road, T. Nagar, Chennai-600 017

The Hongkong and Shanghai Banking Corporation Limited  
Cathedral Road, Chennai-600 086

## **LEGAL ADVISORS**

S. Ramasubramaniam & Associates  
New No.13/1, Bishop Wallers Avenue West  
Mylapore, Chennai-600 004

## **REGISTRAR AND SHARE TRANSFER AGENTS**

Cameo Corporate Services Limited  
'Subramanian Building', No.1, Club House Road, Chennai-600 002  
Tel. +91 044 2846 0390 / 044 4002 0700, email: investor@cameoindia.com  
website: <http://www.cameoindia.com>

## **REGISTERED OFFICE**

6A, Sixth Floor, Prince Infocity II, No.283/3 & 283/4  
Rajiv Gandhi Salai (OMR), Kandanchavadi  
Chennai-600 096, Tel. 044 4392 3200  
email: investor.expleosol@expleogroup.com  
website: [www.expleosolutions.com](http://www.expleosolutions.com)

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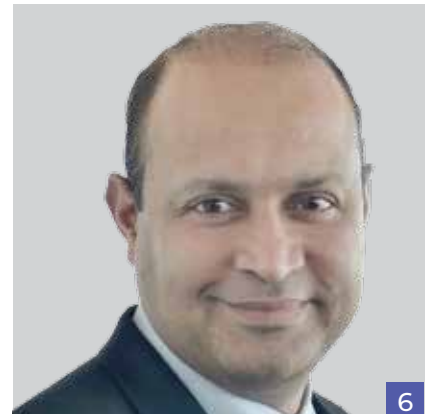
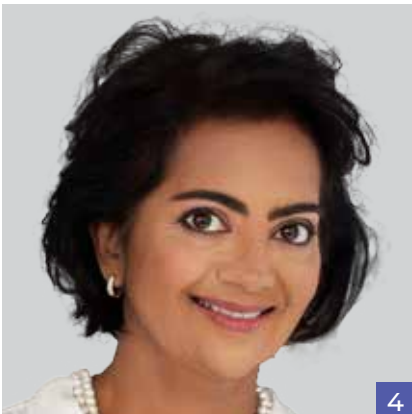
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## Board of Directors



### 1. Ralph Franz Gillessen

#### Chairman & Director (Non-Executive)

Ralph Franz Gillessen is the Chairman & Director (Non-Executive) of Expleo Solutions Limited.

Ralph Franz Gillessen is Board Member of Expleo Germany Holding GmbH providing the global leadership of the sales teams and is responsible for assuring client delivery and resource management for all Expleo Quality and Management Consulting activities.

He ensures that the company has the proper operational controls, procedures, and systems in place to effectively grow the organisation and to ensure financial strength and operating efficiency.

Ralph has joined SQS in 2002 and has worked in various senior sales and consultancy positions. He entered the SQS management board in January, 2013 and is member of Expleo Group Executive Committee since January, 2018.

### 2. PROF. K. KUMAR

#### Deputy Chairman & Independent Director

Kumar is Deputy Chairman and Independent Director of Expleo Solutions Limited.

He has over three decades of experience as a corporate manager, consultant, entrepreneur and in academia. Kumar holds a bachelor's degree in Electrical & Electronics Engineering (Madurai Kamaraj University) and obtained both the PGDM and Fellowship (Doctoral level) qualifications from the Indian Institute of Management, Bengaluru (IIM-B). In his current role as Professor of Entrepreneurship at Indian Institute of Management, Bengaluru (IIM-B), he is involved in teaching, research and entrepreneurship promotion initiatives. His corporate experience includes a consulting role at Tata Consultancy Services (1991-95) and as CEO (1995-2001) and President (2005-2006) of Trigent Software Ltd.

### 3. BALAJI VISWANATHAN

#### Managing Director & CEO

Balaji is the Managing Director and CEO of Expleo Solutions Limited.

Balaji comes with 28 years of professional experience in the financial services and ITES domain of which 16 years have been in the Financial Services Industry and 10 years in the Outsourcing/Offshoring of Financial Services. His last assignment was as Senior Director in charge of Global Delivery for BFSI services at Concentrix which is a large Customer Services and Process outsourcing organisation, a Fortune 500 company listed on the NYSE.

Balaji also worked with Serco, Reliance Jio Payments Bank, Yes Bank and HDFC Bank across Sales, Product Management and Operations, from where he garnered a strong domain knowledge of Core

Banking Systems, Cards, Transaction Switching apart from being responsible for operations and technology for South Asia at Master Card International.

### 4. LILIAN JESSIE PAUL

#### Independent Director

As an entrepreneur, investor, board member, and marketing leader with 26 years of expertise across strategy and modern marketing; Jessie Paul has helped grow organizations from startup stage to global scale. She advises companies on their digital evolution so they can reach customers in the new tech-enabled ecosystem while guiding them on how to maximize profitability with their go-to-market and positioning.

She is the CEO and founder of Paul Writer a marketing consulting firm that helps global and Indian clients with market entry, positioning and customer outreach. She was Global Brand Manager of Infosys during its hectic growth era, headed marketing for challenger brand Quintant (acquired by iGATE), and Chief Marketing Officer of Wipro Technologies for five years during which it quadrupled its revenues to \$4 billion.

Her first book, No Money Marketing: From Upstart to Big Brand on a Frugal Budget was a business bestseller in India, and an updated version has been accepted for publication by Bloomsbury in 2021.

She holds an MBA from Indian Institute of Management, Calcutta, and a bachelor's degree from National Institute of Technology, Trichy.

### 5. PROF. S. RAJAGOPALAN

#### Independent Director

Rajagopalan is an Independent Director of Expleo Solutions Limited.

He is a Bachelor of Technology (B.Tech) in Chemical Engineering from Indian Institute of Technology, Delhi, Post Graduate Diploma in Management from Indian Institute of Management, Bengaluru and a Ph.D from Indian Institute of Technology, Kanpur. He was the CEO of the Karnataka State Council for Science and Technology for 14 years and also was Founder and Chairman of TIDE an NGO. He was awarded Ashoka Fellowship in the year 1984, Fellow of the Salzburg Seminar in the year 1999 and finalist of Social Entrepreneur of the year in 2006. Prof. S. Rajagopalan was elected as one of the 50 pioneers of change by India Today Magazine in the year 2008. Since 2008, he is a professor at the International Institute of Information Technology, Bengaluru.

### 6. Rajesh Krishnamurthy

#### Additional Director (Non-Executive)

Rajesh Krishnamurthy is an Additional Director (Non-Executive) of Expleo Solutions Limited.

Rajesh Krishnamurthy joined Expleo Group as Chief Executive Officer on July 15, 2020. He will accelerate Expleo

Group strategic transformation roadmap, with a strong focus on digitalizing its services and scaling its global delivery capabilities. Prior to that, Rajesh was Chief Technology and Transformation Officer for the CMA CGM Group, the French container transportation and shipping leader since February 2018. He was mandated to harness organizational change to embrace digital transformation and drive new growth. He was responsible for Group IT, digital and shared services centres across the globe.

Rajesh, a Bachelor in Electronics Engineering from the University of Pune, India started his career in 1992 at Infosys, a global IT and consulting major and was an integral part of the Infosys success story and growth. In Infosys, he was President of company's business focused on the Energy, Utilities and Telco markets. He was also responsible for the European region and Infosys Global Consulting organization.

### 7. RAJIV KUCHHAL

#### Independent Director

Rajiv is an Independent Director of Expleo Solutions Limited.

He has more than 30 years of management experience with 16 years in Infosys. He was instrumental in establishing of product engineering services practice at Infosys, heading the practice till 2001. Rajiv was one of the founding members of Infosys BPO (earlier Progeon), the business process outsourcing (BPO), subsidiary of Infosys Technologies, where he was the Head of Operations and subsequently, the Head of Business Transformation. He subsequently worked with OnMobile as its Chief Operating Officer. Rajiv is an angel investor, and a General Partner at Exfinity Ventures.

He is a graduate in Electrical Engineering from Indian Institute of Technology, Delhi.

### 8. ULRICH BÄUMER

#### Independent Director

Ulrich is an Independent Director of Expleo Solutions Limited.

He is a dual qualified (Rechtsanwalt - Germany; Attorney-at-law - New York) lawyer and a partner in the technology group of the international law firm, Osborne Clarke. He advises the clients of the firm mainly in the areas of information technology. He drafts and negotiates complex international IT project (especially outsourcing and licensing) contracts and assists the technology clients of the firm in M&A transactions. He also advises in all other aspects of technology and licensing law. He advises many German and International companies on all aspects of IT law. Ulrich is the Justiziar (inhouse lawyer) of VOICE e.V., the German CIO association. Ulrich is a lecturer at law (IT law) at the University of Cologne, the WHU - Otto Beisheim School of Management, Columbia University (NY/Paris) and the National Law School University of India (Bengalore).

# Letter to the shareholders



**Mr Ralph Franz Gillessen**  
Chairman

Dear Shareholders,

It has been an extraordinary year for all of us - a crippling pandemic, lockdowns across the globe, and evolving priorities with ramifications that have transformed the world. The interrupted demand and supply with remote operations put many organizations, large and small, through the test of survival. It was a challenge for us at Expleo Solutions as well. However, I am happy to announce that our employees' commitment, the faith our customers have in us, and meticulous planning and swift execution have helped us achieve stellar business growth and performance. We were also able to grow by over 10%, double our digital business, which has carved out a significant niche in our offering.

One key parameter defined organizations last year – their resilience through the use of technology. Lockdowns boosted the ranks of brands that could thrive with the sophisticated technology in e-commerce, home deliveries, agile supply chains, and no-touch banking services. Across the board, companies ramped up digitalization to cater to the new ways of doing business. A study by McKinsey revealed that companies had accelerated their digital transformation by three years and their digitally-enabled product portfolio by an astonishing seven years, as these changes in ways of doing business are here to stay and likely to evolve faster.

Organizations in the new normal will seek to provide experience-based outcomes, seamless collaboration, remote operations, uncompromised security, and resilience to respond to business

disruptions. And this will be driven by technologies like AI, Distributed Cloud, Blockchain, RPA, Digital Twins, and Cybersecurity. Expleo has invested in AI/ML and Intelligent test models that analyze and manage sophisticated data and help our customers to leverage these technologies with confidence. Research by Forrester shows that by 2022, 75% of all databases will be deployed or migrated to a cloud platform, with only 5% ever considered repatriation to on-premises. Automated environments in the Cloud and automated testing systems will play a significant role in freeing developers to create viz a viz diagnosing problems. Organizations will leverage this to release better products faster. We are committed to helping our clients with the next era of test automation with Expleo's model-centric and scriptless test automation strategy.

Application development security will increase by 164% in the next five years. And in our largest business segment, the banking and financial sector, the significance of technology will peak in the following year. According to Nelson Hall, banks will pursue process automation, technologies that enable work from home, and cognitive processing.

Technology adoption in our key markets – South East Asia, Middle East, Europe, and India, is booming. Despite an economic slowdown, the regional internet economy grew steadily in South East Asia and will continue to grow at a CAGR of over 30% from \$100 billion in the next 5 years; a Google study pointed out. New digital customers made up more than 35% of the total customers in education, e-commerce, and banking. A majority of these customers lived beyond major cities like Indonesia, the Philippines, and Malaysia. Digital banking services are increasing from 42% pre-COVID-19 to 63% post-COVID-19, and the total digital payment transactions will double to \$1.2 trillion by 2025. We have customers engage with us in the Healthcare and BFSI space for engineering and performance testing from Indonesia and the Philippines. In the Middle East, national reform agendas like Saudi Arabia's Vision 2030 and Egypt's Digital Transformation Sectoral Plans are driving immense opportunities in the digital space.

At Expleo, we are responding to these trends with four key focus areas – focus on servicing our clients through easy to deploy, secure digital capabilities, growing and nurturing future talent, meticulously monitoring feedback and customer satisfaction and driving innovation for our customers.

We strive to enable our customers in their digital transformation journeys with faster, safer, and experience-driven technology. We ramped up to fulfil immediate, short-term deployments and shorter decision cycles for primary digitalization requirements. There has been a surge in demand for digital services in the past nine months with urgency for testing and implementation. With Expleo's Center of Excellence for digital practices, we track demand and focus on addressing digital requirements. A testimony to our digital capabilities is our renewed business from our existing customers in this space. And we doubled our revenues in our digital business. A large EdTech company in the Middle East has partnered with Expleo to build its capabilities in virtual tutoring, collaborative classrooms, and a teacher productivity portal.



Along with the renewed focus on digitalization, organizations have reprioritized their cybersecurity systems and approaches. Customer expectations for robust information security have further driven the need for security and performance. One of the world's largest core banking service providers has chosen Expleo as their partner to move their offering to the Cloud and for a large-scale security and vulnerability assessment.

We are also witnessing a heightened demand for skills and experience. In the IT software testing space, the number of deals in the last two quarters drove us to increase our headcount by 318 skilled employees, on payroll by 178 and contract by 140. Organizations seek subject matter experts in specific tools and technologies and domain experience with a deep understanding of their business. Our current demand is an indicator of more hiring in the next few quarters.



Our response to COVID-19 has increased our customers' faith in our brand. Our 100% score on our CSAT survey was a testimony to that. We were able to seamlessly manage risk and assure business continuity to our customers with a process that focused on customers, employees, security, and productivity. We provided uninterrupted services to 65+ customers across the globe. We identified flexible and secure work arrangements and prioritized our employees' mental health and safety, resulting in zero threats and increased employee engagement through constant communication channels. We were able to enforce IT controls and necessary home-grown tools to enable remote operation and frequent audits to stay compliant even

before the national lockdown in India began. Our customers called out our ability to be highly proactive, agile, and going beyond the SLAs to deliver customer support and satisfaction.

At Expleo, innovation remains one of the key drivers of business growth. We will continue to augment our capabilities and strengthen our services in the digital space. In 2020, we won two prestigious awards at the IBSI Global FinTech Innovation Awards 2020. The award-winning Expleo's Continuous-Q DevOps framework helps customers achieve significant savings in license cost, with easy and faster deployment of automation to accelerate their digital journey.

**We will continue to augment our capabilities through our investments in innovative technologies. Our topmost priority is to ensure that we stay relevant and actively contribute to your business success. A testimony to that was the 'Asia's most promising business leader' awarded to Managing Director & CEO of Expleo Solutions Limited, Balaji Viswanathan, by Economic Times.**



On behalf of the Board, I want to take this opportunity to thank our customers and employees for the trust they have reposed in us. I would like to thank you, our valued shareholders, for extending your continued support.

Stay safe, healthy and take care of your families.

Yours Sincerely,

**Ralph Franz Gillessen**

Chairman

# Performance highlights

## Decade at a Glance (Consolidated Basis)

Rs. in Millions

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17#	2015-16	2014-15	2013-14	2012-13	2011-12
Gross Revenue **	3009	2702	2828	2712	2599	2642	2142	1944	1614	1214
EBIDTA	753	610	591	538	424	605	389	499	326	224
Profit Before Tax	684	541	536	479	370	562	320	422	265	185
Profit After Tax	504	399	362	319	232	369	216	300	194	114
Fixed Assets: Gross Block	474	432	324	307	300	526	483	473	457	225
Fixed Assets: Net Block	248	260	189	224	267	248	243	274	312	109
Share Capital	103	103	107	107	107	106	105	103	101	101
Reserves and surplus	1916	1420	1281	1179	1164	982	911	980	781	655
Networth	2019	1522	1388	1286	1271	1089	1016	1082	882	755
Sundry Debtors	608	759	457	681	424	544	567	558	413	236
Cash and Bank Balances	1311	872	987	850	891	857	683	502	394	404
Current Assets	2259	1774	1625	1633	1380	1534	1380	1157	952	899
Current Liabilities	549	534	522	626	435	728	560	290	289	263
Working Capital	1710	1240	1103	1007	945	806	820	867	663	636
Employee Strength (No.s)	1117	1062	962	1012	919	1076	907	905	782	742
No of Equity Shares (‘000)	10252	10252	10713	10710	10680	10639	10545	10268	10124	10052
Earnings Per Share (Diluted) (Rs.)	49.20	38.51	33.79	29.90	22.26	34.62	20.57	28.66	19.03	11.30
Book Value per Share (Rs.)	196.89	148.45	129.60	120.06	119.03	102.32	96.37	105.41	87.11	75.12
Dividend - Rs. per share (Interim and Final)	-	-	-	24	24	24	24	9	6	5

EBITDA : Earnings before Interest, Depreciation, Taxes & Amortization

\*\* Export incentives are reclassified to Other Operating Revenue

# Figures are as per Ind AS format from the year 2016-17 onwards

One Million (Mn) is equal to Ten lakhs

# Directors' report

*Dear members*

The Company is pleased to present its business and operations report for the year ended March 31, 2021.

## 1. Financial highlights for the year ended March 31, 2021:

(Rs. in Millions)

	Consolidated		Standalone	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Total Income	3,063.14	2,779.87	3,058.30	2,761.70
Employee benefits expense	1,570.93	1,464.12	1,265.36	1,125.91
Depreciation and amortization expenses	58.05	58.22	57.83	58.00
General, administrative and other expenses	739.54	705.89	1,099.52	1,079.37
Finance cost	10.56	11.08	10.56	11.08
Total expenses	2,379.08	2,239.31	2,433.27	2,274.36
Profit/(loss) before exceptional items	684.06	540.56	625.03	487.34
Exceptional items	-	-	-	-
Profit before tax	684.06	540.56	625.03	487.34
Tax expense	179.65	141.54	172.48	137.85
Profit after tax	504.41	399.02	452.55	349.49
Other comprehensive income	(7.80)	(4.33)	(5.47)	(4.67)
Total comprehensive income	496.61	394.69	447.08	344.82
Earnings per equity share (par value of Rs.10/- each)				
Basic (Rs.)	49.20	38.51	44.14	33.73
Diluted (Rs.)	49.20	38.51	44.14	33.73

## 2. Business and Operations Review:

Total operating revenue was Rs.3,008.94 Mn for the Financial Year 2020-21, which increased by 11% over the previous year's Rs.2,702.18 Mn. Total Comprehensive Income stood at Rs.447.08 Mn (15% of Total Income) against previous year's Rs.344.82 Mn (12% of Total Income). This signifies an improvement in absolute and percentage terms, both. Currency fluctuations resulted in a profit of Rs.32.29 Mn for the year as compared to a profit of Rs.43.97 Mn in the previous year.

The Company's revenue from operations was more geographically diversified this year, with the share from

India, the Middle East, Asia, and Australia rising to 38% compared to 36% in the previous year. The business derived from Europe was 59% (previous year 61%) of its revenue from operations, while 3% (previous year 3%) was from the US. The proportion of on-site to offshore revenue from operation stood at 46% / 54% compared to 53% / 47% in the previous year.

During the year under review, new client acquisition contributed 5% to revenue from operations. The repeat business from existing clients is same as 95% of revenue from operations compared to previous year.

For the financial year 2020-21, the revenue from Group clients contributes 21%, same as previous financial year. On the practice front, Insurance grew by 34%, followed by Capital & Treasury and Banking by 13% and 5% respectively.

As of March 31, 2021, the standalone entity's employee strength was 1,063 (consolidated entity 1,117) compared to 990 (consolidated entity 1,062) in the previous year. The Company maintained the percentage of women employees at 40%. This number stood at 432 (39%) for the consolidated entity compared to 387 (36%) in the previous year. Attrition reduced to 16% from the previous year's 20%.

### 3. Capital expenditure:

During the financial year 2020-21, the Company added Rs.44.81 Mn to its gross block with capital expenditure, which comprised Rs.41.72 Mn on technology infrastructure, Rs.0.71 Mn on physical infrastructure and the balance Rs.2.38 Mn on intangible asset addition.

### 4. Liquidity:

The Company continues to maintain comfortable cash balances to meet its strategic objectives. The liquid assets stood at Rs.1,003.66 Mn at the end of the year against Rs.693.92 Mn in the previous year. The Company's cash balance increased to Rs.1,011.46 Mn from previous year's Rs.699.93 Mn.

### 5. Share capital:

At the end of the current financial year, the Company's paid-up Equity Share Capital stood at Rs.102.52 Mn, consisting of 1,02,52,485 fully paid-up equity shares of Rs.10/- each.

### 6. Networth:

As of March 31, 2021, the Company's net worth stood at Rs.1,599.60 Mn against Rs.1,152.52 Mn at the end of the previous financial year.

### 7. Transfer to general reserve:

During the financial year, the Company has not transferred any amount (previous year - Rs.34.00 Mn) to the general reserve. The total amount of general reserve, as of March 31, 2021, was maintained at Rs.246.09 Mn.

### 8. Dividend:

The Company has not declared or recommended any dividend during the Financial Year 2020-21.

### 9. Subsidiaries and branches:

The Company operates internationally through four wholly-owned subsidiaries:

- a) Expleo Solutions Pte. Ltd., Singapore
- b) Expleo Solutions UK Ltd., UK

- c) Expleo Solutions Inc., USA
- d) Expleo Solutions FZE, UAE

The Company's Board of directors reviewed the affairs of the wholly-owned subsidiaries for the financial year 2020-21. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared its Consolidated Financial Statements, which form a part of this Annual Report. A separate section on the salient features, performance and financial position of each of the subsidiaries can be found in **Annexure-I**. It includes their contribution to the overall performance of the Company during the period under report as per Section 129(3) of the Companies Act, 2013, read with Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014.

The subsidiaries' audited annual financial statements and related information, wherever applicable, will be made available to shareholders upon request and will also be available for inspection during regular business hours at the registered office of the Company. The audited annual financial statements shall also be available on the website of the Company. The Company has branch offices in the Philippines, Belgium and Malaysia.

### 10. Annual Return:

The Annual Return in Form MGT-7 for the financial year ended March 31, 2021, as prescribed under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, as amended, is disclosed on the website of the Company <https://expleogroup.com/expleo-solutions/financial/> - AGM and Annual Report.

### 11. Number of meetings of the Board:

The Board met four times during the financial year ended March 31, 2021. The said meetings were held on May 28, 2020, August 20, 2020, November 05, 2020, and February 04, 2021.

The Corporate Governance Report has details of these meetings. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

### 12. Corporate governance and management discussion and analysis report:

A separate section on Corporate Governance, which is a part of the Directors' Report, and the certificate from the Company's auditors confirming compliance with Corporate Governance norms as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are included in the Annual Report. The Company has taken adequate steps for strict compliance

with Corporate Governance guidelines as amended from time to time. A separate Management Discussion and Analysis Report is also attached and forms part of this report.

### 13. Business responsibility report:

A separate section on Business Responsibility Report also forms part of this report.

### 14. Declaration given by independent directors:

All the Independent Directors of the Company have given their declaration under Section 149(7) of the Companies Act, 2013, confirming that they comply with the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for being an Independent Director of the Company.

### 15. Policy on Directors' appointment and remuneration:

The Company has a policy in place on Directors' appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a Director and other matters as required under Section 178(3) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. There has been no change in this policy since the last financial year. The Corporate Governance Report covers the details disclosed on the Company website [https://expleogroup.com/Policy\\_on\\_Remuneration\\_of\\_Directors\\_KMPs\\_and\\_Sr\\_Employees/](https://expleogroup.com/Policy_on_Remuneration_of_Directors_KMPs_and_Sr_Employees/)

### 16. Particulars of loans, guarantees, or investments:

The Company has not given any loan to any person, given any guarantee or provided security to any other body, corporate, or person in connection with a loan. It has not acquired through subscription, purchase, or otherwise the securities of any other body or corporate. The Company has the following investments in its wholly-owned subsidiaries as specified under Section 186 of the Companies Act, 2013:

Particulars	Rs. in Mn	
	March 31, 2021	March 31, 2020
Unquoted equity Instruments (in Subsidiaries)		
100,000 equity shares (Previous year - 100,000 equity shares) of SGD 1/- each in Expleo Solutions Pte. Ltd., Singapore	2.66	2.66

Particulars	Rs. in Mn	
	March 31, 2021	March 31, 2020
3,000 equity shares (Previous year - 3,000 equity shares) of USD 0.01/- each in Expleo Solutions Inc., USA	4.62	4.62
350,000 equity shares (Previous year - 350,000 equity shares) of GBP 1/- each in Expleo Solutions UK Ltd., UK	24.17	24.17
600 equity shares (Previous year - 600 equity shares) of AED 1,000/- each in Expleo Solutions FZE., UAE	8.70	8.70

### 17. Particulars of contracts or arrangements with related parties:

During 2020-21, all the contracts and arrangements entered by the Company with related parties were on an arms-length basis and in the ordinary course of business. The total value of all the transactions with M/s. Expleo Group (formerly known as Assystem Technologies Groupe SAS) and its subsidiaries are above the threshold limit of 10% of the previous year's consolidated turnover of the company. These transactions have been classified as "Material Transactions" as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. However, the aforesaid transactions fall within limits approved by the shareholders in the Annual General Meeting held on July 26, 2018. There are no materially significant related party transactions made by the Company with Directors, key management personnel, senior management personnel, or other designated persons, which may have a potential conflict with the Company's interests at large. All related party transactions are placed before the Audit Committee and the Board of Directors for their prior approval.

For foreseen and repetitive transactions with the wholly-owned subsidiaries, a prior omnibus approval of the Audit Committee is obtained annually. The transactions entered pursuant to the omnibus approval so granted are tracked and verified. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval every quarter. The policy on Materiality of Related Party Transactions, as approved by the Board of Directors, is available on the Company's website <https://expleogroup.com/wp-content/uploads/2020/03/Policy-Materiality-of-Related-Party-Transactions.pdf>

None of the Directors has any pecuniary relationship(s) or transaction(s) vis-à-vis the Company. The details of contracts or arrangements with related parties entered during the year are given in **Annexure-II** of the report.

**18. Material changes and commitments, if any, affecting the financial position of the Company:**

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year to which the Company's financial statements relate and the date of the report.

**19. Transfer to Investor Education and Protection Fund ("IEPF"):**

In accordance with the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, (the Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of seven years. Further, according to the Rules, the shares on which a dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. During the financial year 2020-21, an amount of Rs.2,99,862/-, which was lying in the Final Dividend account pertaining to the year 2012-13 and an amount of Rs.3,38,675/- lying in the Interim Dividend account pertaining to the year 2013-14 of the Company was transferred to the IEPF on completion of seven years. Pursuant to provisions of Rule (6) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, wherein the seven year period provided under subsection (5) of Section 124 is completed for unpaid/unclaimed dividends during 2020-21, the Company had transferred 543 Equity Shares to the credit of IEPF Authority, in respect of shareholders who have not claimed their dividend for a consecutive period of seven years. Members who have so far not encashed their dividend warrant(s) or those yet to claim their dividend amounts may write to the Company Secretary & Compliance Officer / Company's Registrar and Share Transfer Agent (Cameo Corporate Services Limited). The details of shareholders whose shares were transferred to the IEPF Authority are available on <https://expleogroup.com/expleo-solutions/corporate-governance/> - Transferred to IEPF

**20. Conservation of energy, research and development, technology absorption, foreign exchange earnings, and outgo:**

**(A) Conservation of energy:**

- (i) Steps that impact energy conservation: The Company has always actively promoted eco-friendly and green initiatives. It continues to work on reducing its carbon footprint, conserving energy, and using energy generated from alternative sources wherever possible. It continues to deploy adequate measures to conserve energy by using less power-consuming USFF-based computers and deploying LEDs for perimeter lighting in the MEPZ premise. The Company is also in the process of optimising lighting equipment for an overall reduction of light bulbs used and conversion to LED bulbs. The adoption of VRF-based air conditioning and sensor-based lighting in all cabins and meeting rooms has significantly reduced electricity consumption and the Company's carbon footprint.
- (ii) Steps taken to utilise alternative energy sources: The Company's registered office is in a tech park where close to 80% of energy is sourced from the grid powered by wind turbines, promoting green energy.
- (iii) Capital investment on energy conservation equipment: Nil

**(B) Research & development and technology absorption:**

- (i) The Company has won significant digital projects from customers, including a leading bank in the Philippines (DevOps and VAPT), a governing bank of India (Big Data), a leading fintech provider in the US (Dev), a leading educational provider in Dubai (Dev), a leading group insurance provider in Saudi Arabia (PE), a leading universal payments provider in the US (PE) and a leading clinical research organisation in Ireland (Dev). These projects give us a solid lead in practice expertise in development, DevSecOps, Big Data and Performance and Security Engineering service lines. They exemplify our steadfast focus on R&D and keen technology absorption.
- (ii) The Company's focus on data science, machine learning (ML) and deep learning resulted in a good project from a prestigious governing bank of India in Data Analytics Validation in the Big Data domain.
- (iii) Expleo continues to invest in its digital team and has developed a 100+ development team in Chennai.

- (iv) Expleo focuses on security testing and has developed its first Security Operations Center (SOC) in Chennai with 30+ team members. The Company now manages 150,000+ endpoints for the Expleo group and we have started to offer the SOC as a service to our esteemed customers.
- (v) Expleo's R&D focus on image processing with OpenCV, chatbot and conversational AI has successfully landed an IBM Watson-based chatbot project for a prestigious educational service provider in Dubai.
- (vi) Expleo's focus on data science and Python has resulted in Intelligent Process Automation proof of concept using Python and Blue Prism for a leading bank in the Philippines, leading to good word-of-mouth marketing and wider acceptance of sales of RPA capabilities in APAC.
- (vii) Expleo continues its R&D focus in AI/ML and deep learning and applying them practically in what we do, such as test automation, performance and security engineering. For a leading Saudi Arabian government insurance project, Expleo has developed an excellent performance engineering framework called Fuse-J, which automatically takes care of script auditing, scripting best practices, and validating checkpoints. This saved 40% effort, time and cost and successful delivery of the project within budget.
- (viii) The procurement system continuously ensures cost-effective hardware purchases, more through local vendors, thereby reducing import dependency. Where required, the Company also imports servers, switches and other hardware products using foreign currency from its Exchange Earners' Foreign Currency (EEFC) accounts.
- (ix) There has been no import of technology during the last three financial years.

**(C) Foreign exchange earnings and outgo:**

Foreign exchange earned during the year in terms of actual inflows was Rs.1,964.69 Mn whereas foreign exchange outgo during the year in terms of actual outflows was Rs.643.02 Mn.

The current year's inflows and outflows are regarding the movement of funds into and outside India in foreign currency.

**21. Risk management:**

The Company is committed to effectively managing its operational, financial and other risks to achieve a balance between acceptable levels of risk and reward.

The Company has a policy on risk assessment and minimisation procedures that describes the risk management methodology, structures and systems involving personnel at all levels of the Company to manage various business uncertainties and arrive at the right decisions pertaining to all business divisions' corporate functions. Risk Management in the Company includes identification, assessing, monitoring and mitigating various risks through a process that comprehensively evolved over the years. This includes:

- Quarterly internal audits by an independent firm;
- Regular process compliance audits for ISO 9001 and ISO 27001 standards, including SOC audits;
- Periodic audits of compliance to other regulatory frame works;
- Monitoring and tracking of compliances of applicable laws for the Company using Compliance tool, which is updated on real time basis with latest amendments;
- Annual capital and revenue budget planning followed by monthly reviews;
- Annual sales planning with monthly/periodic monitoring;
- Annual perspective and strategic planning exercise with a yearly update;
- A conservative approach in planning funding requirements.

Over the last few years, the Company has developed comprehensive internal financial control processes and procedures that could effectively mitigate the overall organizational risks. As detailed in the following section, these processes and controls form part of the review, verification and improvement by its internal audit and process teams.

**22. Adequacy of internal financial controls:**

The Company has a proper and adequate internal control system. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of Internal Financial Controls.

An extensive programme of internal audits and management reviews supplement the process of the Internal Financial Control framework. Properly documented policies, guidelines and procedures have been laid down for this purpose. The Internal Financial Control framework has been designed to ensure that the financial and other records are reliable for preparing

financial and other statements and maintaining asset accountability. In addition, the Company has identified and documented the risks and controls for each process that links to financial operations and reporting.

The Company also has an Audit Committee, comprising three Directors, who interact with statutory auditors, internal auditors and management to deal with matters within its terms of reference. This Committee mainly deals with issues of accounting, financial reporting and internal control. The framework for the Internal Financial Controls was made by:

- Defining controls, governance and standards, including policies and procedures, organisational structures and performance objectives;
- Establishing control designs including roles and responsibilities, risk identification and capacity to deliver business objectives;
- Evolving controls including control systems and improvements;
- Compliance and control monitoring through internal resources or audit or a combination of both.

The internal audit team, along with the process team, monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the internal audit report, corrective actions, if any, are undertaken and controls strengthened in the respective areas. Significant audit observations and responses/corrective actions, if any, are presented to the Audit Committee of the Board. During the year, an Internal Financial Control (IFC) audit concerning financial statements was done by the Statutory Auditors. Their report is annexed as part of the Independent Auditor's Report.

### **23. Corporate social responsibility:**

Expleo's Corporate Social Responsibility (CSR) vision is to be a company committed to addressing major social issues of the time. The Company's approach reflects its principles and values and has ambitious targets that are meaningful and create value for all stakeholders.

Through its CSR initiatives, the Company focuses on promoting education for the differently-abled, under privileged and protecting the environment.

The year 2020-21 saw disruption in all our activities like no other year. The Covid-19 pandemic has left the world grappling with health, economic and humanitarian crisis at an unprecedented scale.

The Company's CSR activity during the year was all about following its core purpose and philosophy. It also

included relief measures to fight Covid-19 which was the need of the hour.

Schools predominantly remained locked throughout the year. Innovative approaches and distance learning solutions were thought of and implemented like never before to help village-based students cope with the challenges of online education, keeping in mind the government's pandemic-specific guidelines.

The Company supported underprivileged children with online classes which was conducted using WhatsApp and Google Meet and follow-up via audio, texts, pictures, supportive videos and sharing links.

The Company also contributed to the *Learn from Home* model by providing sufficient handheld tablets and bearing the programme's cost. Live teaching sessions were organised for a small batch of children owing to Covid restrictions. The non-class days focused on self-learning activities at home assigned by volunteer teachers. The primary focus was on the revision of the previous grade's academic work and was supplemented by reading interventions and exercises. Expleo continued to support children with special needs. The programme made learning possible and managed to keep children and parents positively motivated and engaged throughout the year.

In support of the fight against Covid-19, the Company provided three-layered face masks and personal protection suits to doctors and other frontline workers. We also provided automatic blood pressure machines for Covid centers of the Greater Chennai Corporation, Chennai and the Brihanmumbai Municipal Corporation, Mumbai. Expleo also contributed towards procuring precision-based equipment for the Voluntary Health Services (VHS) for orthopedic surgeries and strengthen their trauma care center, especially during the Covid period when shifting patients to another hospital is not advised.

The Company also contributed towards promoting a clean and green environment. In March 2021, it donated to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) to support the Central Government in the fight against the Covid-19 pandemic.

#### **Key highlights of the CSR activities undertaken by Expleo:**

##### **EDUCATION**

##### **a) Vidya Sagar - Education for differently-abled children**

- The Company extended support for physiotherapy, speech, alternative and



augmentative communication training to differently-abled children to help them enroll in the National Institute of Open Schooling (NIOS) for writing their board exams. Additionally, they were also imparted functional and life skills enabling them to explore vocations.

- The Company encourages employees to participate in all CSR activities and contributes a sum equal to the contribution by employees to Vidya Sagar every month.
- The Company has contributed towards the "Care Giving" project. Under this project, Vidya Sagar will conduct a training programme to provide care giving support in partnership with The National Institute for Empowerment of Persons with Multiple Disabilities (NIEPMD). This project shall help youth gain employment and fill the support gap faced by the differently-abled and senior citizens.

#### **b) Agastya - Education for the underprivileged**

- The Company sponsors the Lab on Bike project, contributing to organising hands-on science sessions and multimedia sessions to identify government school children in Mumbai.
- The Company has set up and maintains science centers at Chennai's Jaigopal Garodia Government Girls Higher Secondary School, Choolaimedu and Jaigopal Garodia Government Girls School, Virugambakkam. The programme objective is to increase access to practical, hands-on science education for under privileged children. It aims to supplement the government-school learning with experiment-based learning of science subjects in the syllabus. A permanent instructor has also been appointed for this programme.
- Online classes were conducted to motivate children and keep them engaged. A virtual science fair was also held, and the children displayed their models.

#### **c) e-Vidyaloka - Digital classrooms**

- The digital class room project was transformed to *Learn from Home* Project. Expleo sponsored tablets and assigned a salaried local coordinator to four schools in Tiruvannamalai and Kanchipuram districts.
- To help students cope with the Covid crisis, live online classes were conducted through

smartphones and audio classes through keypad phones with support from class assistants.

- In compliance with government guidelines on social distancing, children were taught in batches to ensure that the pandemic does not halt their learning. Students learned foundational concepts and inculcated a reading habit to stay motivated to continue their studies. The digital classroom project will be reconvened once the school resumes.

### **HEALTH**

#### **d) Contribution to VHS**

To avoid shifting trauma care patients from one hospital to another during the pandemic, Expleo sponsored essential equipment for the orthopedic department viz. Stryker system – 8-Battery Powered Drill and Saw; and Smith and Nephew orthoscopy system. This equipment help operate on trauma cases with high precision.

### **ENVIRONMENT**

#### **e) Contribution to SankalpTaru**

Expleo maintains the 900 trees planted at Mamallapuram as part of the community-based plantation programme conducted last year. We have replanted saplings to replace plants that did not survive the Nivar Cyclone in November 2020. Some trees, like cashew, have started bearing fruit.

Details of the policy developed and implemented by the Company as part of its CSR programme and other initiatives taken during the year are given in **Annexure-III** as required under Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

#### **24. Composition and recommendation of the audit committee:**

The Audit Committee of the Company has been constituted in line with Section 177 of the Companies Act, 2013, read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are:

- 1) Prof. K. Kumar, Chairman
- 2) Prof. S. Rajagopalan, Member
- 3) Mr. Rajiv Kuchhal, Member

During the year, the Board accepted all recommendations of the Audit Committee.

## 25. Vigil mechanism:

The Company has formulated and adopted a vigil mechanism for employees to report genuinely unethical and improper practices or any other wrongful conduct to the Audit Committee Chairman. The policy provides opportunities for employees to access the Audit Committee in good faith if they observe unethical and improper practices. The Whistle Blower Policy of the Company is available on <https://expleogroup.com/wp-content/uploads/2020/09/Whistle-Blower-Policy.pdf>

## 26. Directors' responsibility statement as required under Section 134(5) of the Companies Act, 2013:

Under Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

- a) For the preparation of the annual Financial Statements, the applicable accounting standards were followed, accompanied by a proper explanation relating to material departures;
- b) Accounting policies were selected and applied consistently; fair judgment was used and prudent estimates made to give an accurate view of the Company's state of affairs at the end of the financial year, and its profit and loss for that period;
- c) Proper and sufficient care was taken for maintaining adequate accounting records as per provisions of this Act to safeguard the Company's assets to prevent and detect fraud and other irregularities;
- d) Annual Financial Statements were prepared on a going concern basis;
- e) The Company laid down Internal Financial Controls and that such internal financial controls are adequate and these were operating effectively; and
- f) Proper systems were devised to ensure compliance with all applicable laws and such systems were adequate and operating effectively.

## 27. Board evaluation:

Under the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors of the Company, in their meeting held on May 20, 2021, evaluated its performance, that of its committees and Individual Directors, including Independent Directors. No Director participated in his/her evaluation. The Independent Directors reviewed the Non-Independent Directors, Chairman and the Board at a separate meeting of Independent Directors held on February 25, 2021. The Board of Directors were evaluated on various

criteria, including attendance, participation in Board meetings, involvement by providing advice, guidance, suggestions on the business front and the willingness and commitment to devote the time necessary to fulfil his/her duties.

The Independent Directors were also evaluated based on the performance, professional conduct, roles and duties as specified in Schedule IV of the Companies Act, 2013, and based on the fulfilment of the Independent Director criteria as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board evaluation was based on composition and statutory compliance, understanding business risks, adherence to process and procedures, overseeing management procedures for enforcing code of conduct, ensuring various policies, including the Whistle Blower Policy, were in force. The Board of Directors is of the opinion that the Independent Directors possess integrity, expertise and experience, including proficiency.

## 28. Criteria for making payment to non-executive directors:

The Nomination and Remuneration Committee and the Board of Directors considered the following criteria while deciding on the payments to be made to Non-Executive Directors:

- Company performance.
- Maintaining independence and adhering to Corporate Governance laws.
- Contributions during meetings and guidance to the Board on important Company policy matters.
- Active participation in strategic decision-making and informal interaction with the management.

## 29. Familiarisation programme:

The Company has a familiarisation programme for Independent Directors under Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. It aims to provide Independent Directors Company insight to enable understanding of the business in depth and contribute significantly to the Company. Overview and details of the programme for Independent Directors have been updated on <https://expleogroup.com/wp-content/uploads/2021/05/Details-of-Familiarisation-Program-for-Independent-Directors.pdf>

## 30. Policy for determining material subsidiaries:

Pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a policy for

determining material subsidiaries was formulated. The same is updated on the Company's website at <https://expleogroup.com/wp-content/uploads/2020/03/Policy-Determining-Material-Subsidiaries.pdf> and is dealt with elsewhere in the Annual Report.

### **31. Particulars of employees:**

In accordance with the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement containing the names of top 10 employees in terms of remuneration drawn during the financial year and that of every employee employed throughout the financial year and in receipt of a remuneration of Rs.1.02 crore or more per annum or employed for part of the financial year and receipt of Rs.8.50 lakh per month is annexed and forms a part of this Report in **Annexure-IV(A)** and the ratio of remuneration of each Director to that of median employees' remuneration, as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is part of this Report in **Annexure-IV(B)**.

### **32. Directors and key management personnel:**

Mr. Olivier Aldrin (DIN-08345218) resigned as Non-Executive Director of the Company with effect from July 15, 2020, due to personal reasons.

Mr. Rajesh Krishnamurthy (DIN-08288884) has been appointed as Additional Director (Non-Executive) of the Company with effect from September 1, 2020, by the Board of Directors, and he shall hold office up to the date of the ensuing Annual General Meeting.

Mr. Martin Hodgson (DIN-08720176) resigned as Non-Executive Director of the Company with effect from March 31, 2021, due to personal reasons.

The Board of Directors has unanimously approved the appointment of Mr. Ralph Franz Gillissen (DIN-05184138), existing Promoter Non-Executive Director of the Company, as Chairman of the Company's Board with effect from May 20, 2021.

Mr. Balaji Viswanathan (DIN-06771242) present term as Managing Director & CEO is expiring on August 31, 2021. He has been re-appointed for a new term of 3 years commencing from September 1, 2021, subject to approval by the Members in the General Meeting.

### **33. Public deposits:**

The Company has not accepted or renewed any public deposits and, as such, no amount of principal or interest was outstanding on the Balance Sheet as of date.

### **34. Statutory Auditors:**

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, are the Statutory Auditors of the Company. They were appointed in the 19<sup>th</sup> Annual General Meeting and will hold office till the 24<sup>th</sup> Annual General Meeting of the Company. The report issued by the Auditors to the members for the financial year ended March 31, 2021, does not contain any qualification, reservation or adverse remark or disclaimer. Auditors reported no frauds under sub-section (12) of Section 143.

### **35. Maintenance of cost records:**

The maintenance of cost records as specified by the Central Government under Sub-Section (1) of Section 148 of the Companies Act, 2013, does not apply to the Company.

### **36. Secretarial audit report:**

Pursuant to Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. M. Alagar & Associates (practicing company secretaries, COP No. 8196) as the Secretarial Auditor of the Company in the Board Meeting held on May 28, 2020, for the financial year 2020-21. The Secretarial Audit Report issued by M/s. M. Alagar & Associates is annexed and forms a part of this Report in **Annexure-V**. The Secretarial Audit Report does not contain any reservation or adverse remark for the year under review. Further, the Company complies with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and notified by the Ministry of Corporate Affairs (MCA).

### **37. Significant and material orders passed by the regulators, courts or tribunals:**

There are no significant and material orders passed by the regulators or courts or tribunals that may impact the Company as a going concern and / or Company's operations.

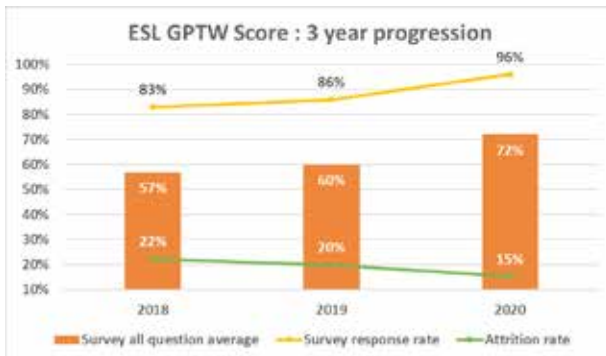
### **38. Human potential:**

The Company emphasizes the importance of helping its people achieve their maximum potential in all aspects of their functioning. The Company maintains a strong learning culture and provides a wide range of opportunities for employees to learn, develop, and progress in their careers.

### **Great Place to Work (GPTW) :**

The Great Place to Work survey (called the 'Trust Index') is one of the most widely used employee surveys in the World which acts as a trusted third party, providing proven methodology and best practice to help companies create realistic plans to improve their workplaces.

Overall, the survey results enabled us to have a more accurate picture of how our employees feel about working at Expleo Solutions Limited by providing us with detailed information regarding their opinion about our performance, culture, relationships, how we go about our work and where we are headed, thus helping us to explore areas of opportunity to set Expleo on the path towards creating an organizational culture where we drive excellence with empathy.



#### Key highlights of 2020 survey results :

- **Response rate : 96%** .Highest of last 3 years (+10 from 2019)
- **GPTW score for 2020 : 72%** - Highest of last 3 years (+12 from 2019)
- **70%** of employees believe Expleo will act on the results of this survey (+9 from 2019)
- **77%** of employees believe Expleo Solutions is a Great Place to Work (+14% from 2019)

Strategic L&D - Our primary responsibilities are to develop workforce capabilities, skills and competencies the organisation needs to align with key business priorities.

#### L&D's strategic role spans in five areas listed below:

- Talent attraction & retention.
- Developing people capabilities.
- Motivating & engaging employees.
- Driving culture of continuous learning.
- Employer brand creation.

#### Talent attraction and retention

We are committed to our employee's professional development and provide appropriate opportunities and career paths. Employees can quickly learn new skills to keep up with rapidly changing roles and project requirements.

Here are our key initiatives to attract and retain talent:

- Role-Based Learning Map.
- Individual Development Plan (IDP).

- Certification Reimbursement Policy.
- Self-Learning Enablement.
- Knowledge Sharing Sessions.
- Expert Connect Sessions.

#### Developing people capabilities

We are committed to developing next-generation leaders. To achieve this, we have created focused leadership development programmes at various levels.

Here are our key programmes for leadership development:

- Leadership Enhancement Action Programme (LEAP).
- Bullet-Proof Management Programme (BPM).
- Onsite Associates Programme.
- Succession Planning.

#### Motivating and engaging employees

Expleo is committed to providing opportunities so employees can learn and develop new competencies. We conduct various initiatives to motivate and engage our employees. Our L&D recognises and reward individual learning accomplishments.

Here are our key programmes for motivating and engaging employees:

- NJOP (New Joiner Orientation Programme) – Leaders' Talk.
- QA-QE Transformation.
- Technical & Domain Upskilling.
- Training for On-site employees.
- FinTech Quiz.
- Speed Learning.
- TGIF (Thank God It's Friday).
- Beat The Monday Blues.
- Management Development Programme.
- R&R for Trainers.
- Digital Badges - Rewards for Learning & Certification Accomplishments.

#### Driving culture of continuous learning

Expleo L&D provides a culture of continuous learning for employees at all stages of their careers to upskill and reskill continuously and on-demand. To support upskilling of our employees, we have set up the Technology Lab, which our associates can access remotely to get hands-on experience.

Here are our key programmes through which we drive a culture of continuous learning:

- a) ETC Leader Programme – Digital Skills.
- b) Self-Learning Enablement.
- c) Speed Learning.
- d) Expert Connect Session.
- e) Knowledge Sharing Sessions.
- f) Virtual Classrooms.
- g) MOOCs (Massive Open Online Courses).
- h) Learning Assessment & Measurement Platforms.

**Employer Brand Creation**

Expleo’s commitment and investment towards learning have enhanced its brand position as an employer of choice. The Company provides promised opportunities for professional development and career growth. L&D builds required workplace behaviours, including knowledge and skills necessary to deliver customer satisfaction and the management and leadership expertise essential to create and sustain the working conditions promised as employee experience. L&D also plays a crucial role in reinforcing the identity & values of the Expleo culture.

Here are our key programmes that build employer brand:

- a) QA-QE Transformation.
- b) Leader’s Framework – ETC Leader Programme – Digital Skills.
- c) Individual Development Plan.
- d) Digital Badges for Publishing in Social Channels - Rewards for Learning Accomplishments.

**Key Achievements**

- **Bullet-Proof Management Programme (BPM)** – 19 employees (33%) from GG4.3 and above got certified in 2020; 7-month-long training programme.
- Batch 2 started in December 2020; 7 sessions have since been completed.
- **Leadership Enhancement Action Programme (LEAP)** – Completed four batches covering 88 employees (49%) from Grades GG3.2 to GG4.1; 4-month training programme.
- **Tech Up-Skilling Phase I** – 612 employees registered out of 618 nominations and 600 completed the certification (98%).
- **Tech Up-Skilling Phase II** – 251 nominations, 251 registered and 250 employees completed the certification (100%).

- **Self-Learning Enablement Initiative**
  - o Total learning hours – 88,905.
  - o Average learning hours per employee – **85 hours (against a 40-hour target)**.
  - o Self-learning hours – 41,206 hours (57% of total hours).
  - o Unique no. of associates trained (headcount active) – 1,141.
- **Expert Connect Sessions** - 62 sessions published, 400+ attended (45%).
- **Knowledge Sharing Sessions** – 10 sessions covering 372 employees (37%).
- **In-House Curriculum Development**
  - o Developed QA-QE curriculum.
  - o No. of employees trained – 700+ (70%).
- **Speed Learning** – Conducted 21 sessions covering more than 400 employees (40%).
- **Domain Upskilling** – 51 out of 79 employees (50%) who registered completed the programme against nominations; 28 in progress.
- **Digital Badges for Learning and Certification** – Accomplishments under various Learning & Certification initiatives like BPM (18), LEAP (85), QA-QE Transformation (300+), Trainers, Completing 40 hours of Learning (700+), Technical & Domain Upskilling (600+), etc.
- **FinTech Quiz** – Published 676 Questions, 150+ participated (15%).
- **Individual Development Plan (IDP)** introduced effective H2 2020 for Grades GG3.2 to GG4.3.

**39. Quality, technology and systems:**

The Company has established a Compliance Framework that follows a phased approach. It starts with establishing legal, contractual and security requirements to be complied with, internal communication and creating awareness on these requirements, integration of requirements with existing security and process framework for ongoing compliance, monitoring and audit for ensuring compliance, periodic assessment of the maturing level of compliance processes and reporting and improvement of the security framework. The compliance framework is independently assessed and certified by external certification bodies on an annual basis.

**ISO 9001:2015 (Quality Management System) & ISO 27001:2013 (Information Security Management System)**

All offshore testing centers of the Company are certified for Quality Management System (ISO 9001:2015) and Information Security Management System (ISO 27001:2013).

The Company promotes adopting a process approach when developing, implementing and improving the effectiveness of a quality management system to enhance customer satisfaction by meeting customer requirements. The process approach involves systematic definition and management of processes and their interactions to achieve the intended results by following the top management's quality policy and strategic direction. The Company adopts various form of improvement and correction and continual improvements, such as breakthrough change, innovation and reorganisation.

The Company achieves information security by implementing a suitable set of controls, including policies, processes, procedures, organizational structures and software and hardware functions. These controls are established, implemented, monitored, reviewed and improved to meet the organisation's specific security and business objectives.

The Company has adopted ISO 27001, an international standard for establishing, implementing, maintaining and continually improving an information security management system. The adoption of an information security management system is a strategic decision for an organisation. Its establishment and implementation are influenced by the organisation's needs and objectives, security requirements, processes used and the size and structure. The information security management system in the Company preserves the confidentiality, integrity and availability of information by applying a risk management process and gives confidence to interested parties.

The information security management system is integrated with the organisation's processes and overall management structure, and information security is considered in the design of processes, information systems and controls.

**SSAE 18 (Statement on Standards for Attestation Engagements) / ISAE 3402 (the International Standard on Assurance Engagements):**

The offshore TCoE (Testing Centre of Excellence) of the Company in Chennai is compliant with ISAE 3402 (the International Standard on Assurance Engagements)

and SSAE 18 (Statement on Standards for Attestation Engagements). SSAE 18/ISAE 3402 is an independent assessment report that provides confidence on control procedures, adequacy and reasonable assurance in the Company's service delivery, information security, and data privacy-related controls. SSAE 18 is more relevant for the US market, while ISAE 3402 is relevant for the rest of the world.

This report has been prepared to give information on the Company's application testing services and related general computer controls for the services provided to clients. The assessment report illustrates the positive effects of a properly functioning and articulated control environment on an organisation's senior management and clients.

**PCI-DSS (Payment Card Industry Data Security Standard):**

Data protection is critical for the Company in maintaining its services to clients. The Company is also compliant with PCI-DSS (world wide data security standard defined by the Payment Card Industry Security Standards Council), ensuring data security and reducing the risk of data breaches. The Company adopted PCI-DSS to meet customer requirements specific to the cards domain. The Company has designed and implemented technical and operational controls to protect cardholder data.

The Company implemented a minimum set of requirements for protecting cardholder data. It also deployed additional controls and practices to mitigate risks further and address local, regional and sector laws and regulations. These controls also address the legislation or regulatory requirements to protect personally identifiable information or other data elements.

**General Data Protection Regulation:**

Data protection is a significant concern for organisations world wide. The focus is on secure handling to ensure the protection of customer data as well as corporate data. The importance of privacy and data protection is increasingly recognised as more and more social and economic activities become online. When it comes to data protection, different countries have enacted different sets of laws. The European Union (EU) views the privacy of personal information as a fundamental right. With the introduction of the General Data Protection Regulation (GDPR) in 2018, the EU has given its people more control over their personal data. The USA has sector-specific laws on the privacy of customer data such as health and financial information. With its global reach and client base, the Company is expected to adhere to

various such data privacy compliance requirements. The Company has designed and implemented a GDPR framework to protect the personal information provided by its customers from engagement until the closure of services. As part of the GDPR framework, the Company ensures that the contractual obligations concerning data protection are adhered to through technical and organisational measures. The Company also analyses the internal and external environment changes, including the contractual customer requirements on privacy and the various alerts (privacy incidents) to draw inputs for annually updating the Privacy Policy.

#### **40. Disclosure as required under Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has a policy on the prevention of sexual harassment at the workplace. It has duly constituted the Internal Complaints Committee (ICC), in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The ICC has been set up to redress any complaints received regarding sexual harassment and meets periodically. The policy covers all employees. The ICC has not received any complaints during the financial year 2020-21.

#### **41. Listing fees:**

The Company confirms that it has paid the annual listing fees for the financial year 2020-21 to both National Stock Exchange of India Limited and BSE Limited.

#### **42. Acknowledgments:**

The Company thanks its customers, bankers and service providers for their continued support during the year. The Company places on record its appreciation for the contribution made by its employees at all levels. Its success was made possible by their hardwork, loyalty, cooperation and support.

The Company thanks the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise departments, the Income Tax Department, the Reserve Bank of India, the State Governments, Madras Export Processing Zone (MEPZ) and other government agencies for their support, and looks forward to their continued support in the future. The Company also thanks the Governments of the countries where it has operations. The Directors wish to record their appreciation of business constituents like SEBI, NSE, BSE, NSDL, CDSL, etc., for their continued support for the Company's growth. The Directors also thank investors for their continued faith in the Company.

**For and on behalf of Board of Directors of  
Expleo Solutions Limited**

**Ralph Franz Gillessen**

Chairman and Non-Executive Director

DIN : 05184138

**Place:** Cologne, Germany

**Date :** May 20, 2021

## Annexure - I

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures:

##### Part A: Subsidiaries:

(Information in respect of each subsidiary to be presented with amounts in Rs. in Million – based on standalone financials of subsidiaries)

Sl. No.	1	2	3	4
Name of the Subsidiary	Expleo Solutions Pte. Ltd., Singapore	Expleo Solutions Inc., USA	Expleo Solutions UK Ltd., UK	Expleo Solutions FZE, UAE
Date of Incorporation	21-Nov-2001	29-Apr-2002	1-Apr-2010	15-Jun-2010
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Singapore Dollars (SGD)	US Dollars (USD)	Great British Pound (GBP)	United Arab Emirates Dirham (AED)
	54.44	73.50	100.95	19.98
	(SGD VS INR as on 31.03.2021)	(USD VS INR as on 31.03. 2021)	(GBP VS INR as on 31.03. 2021)	(AED VS INR as on 31.03. 2021)
Share Capital (in Mn.)	2.66	4.63	24.17	8.70
Reserves & Surplus (in Mn.)	120.33	107.73	127.52	65.82
Total Assets (in Mn.)	139.94	138.84	483.26	99.13
Total Liabilities (in Mn.)	16.95	26.48	331.57	24.61
Investments (in Mn.)	Nil	Nil	Nil	Nil
Turnover (in Mn.)	115.17	49.48	177.55	194.00
Profit / (Loss) before taxation (in Mn.)	20.52	4.38	30.39	3.28
Provision for taxation (in Mn.)	1.88	1.64	3.64	-
Profit / (Loss) after taxation (in Mn.)	18.64	2.74	26.75	3.28
Proposed Dividend	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%	100%

**1. Names of subsidiaries which are yet to commence operations :** **NIL**

**2. Names of subsidiaries which have been liquidated or sold during the year :** **NIL**



## **Part B: Associates and Joint Ventures**

### **Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.**

The Company does not have Associate or Joint ventures for which the details are to be given under Part B of this form.

#### **For and on behalf of the Board of Expleo Solutions Limited**

**RALPH FRANZ GILLESSEN**  
Chairman &  
Non-Executive Director

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

**BALAJI VISWANATHAN**  
Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

**DESIKAN NARAYANAN**  
Chief Financial Officer

Place : Chennai, India

Date : May 20, 2021

**S. SAMPATH KUMAR**  
Company Secretary &  
Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021

## Annexure - II

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

#### Details of Related Party Transactions

**1. Details of contracts or arrangements or transactions not at arm's length basis:      None**

(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Justification for entering into such contracts or arrangements or transactions	-
(f)	Date(s) of approval by the Board	-
(g)	Amount paid as advances, if any:	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	-

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

a)	Name(s) of the related party and nature of relationship	Expleo Group, its Holding Entity, its Subsidiaries and Associates (Group Companies)	Expleo Solutions UK Ltd., UK (Subsidiary)	Expleo Solutions Pte. Ltd., Singapore (Subsidiary)	Expleo Solutions Inc., USA (Subsidiary)	Expleo Solutions FZE., UAE (Subsidiary)
b)	Nature of contracts/arrangements/transactions	Availing and Rendering of Services	Availing and Rendering of Services	Availing and Rendering of Services	Availing and Rendering of Services	Availing and Rendering of Services
c)	Duration of the contracts/arrangements/transactions	1 year from April 1, 2020 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.

a)	Name(s) of the related party and nature of relationship	Expleo Group, its Holding Entity, its Subsidiaries and Associates (Group Companies)	Expleo Solutions UK Ltd., UK (Subsidiary)	Expleo Solutions Pte. Ltd., Singapore (Subsidiary)	Expleo Solutions Inc., USA (Subsidiary)	Expleo Solutions FZE., UAE (Subsidiary)
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	From Expleo Solutions Limited & its Subsidiaries to Group Companies - Up to INR 975 Mn. per financial year; From Group Companies to Expleo Solutions Limited & its Subsidiaries - Up to INR 975 Mn. per financial year	From Subsidiary to Holding Company – Up to INR 1,000 Mn. for the financial year 2020-21; From Holding to Subsidiary Company – Up to INR 1,500 Mn. for the financial year 2020-21.	From Subsidiary to Holding Company – Up to INR 200 Mn. for the financial year 2020-21; From Holding to Subsidiary Company – Up to INR 300 Mn. for the financial year 2020-21.	From Subsidiary to Holding Company – Up to INR 450 Mn. for the financial year 2020-21; From Holding to Subsidiary Company – Up to INR 600 Mn. for the financial year 2020-21.	From Subsidiary to Holding Company – Up to INR 300 Mn. for the financial year 2020-21; From Holding to Subsidiary Company – Up to INR 100 Mn. for the financial year 2020-21.
e)	Date(s) of approval by the Board, if any	May 04, 2018	May 28, 2020	May 28, 2020	May 28, 2020	May 28, 2020
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

**For and on behalf of Board of Directors of  
Expleo Solutions Limited**

**Place:** Cologne, Germany

**Date :** May 20, 2021

**Ralph Franz Gillessen**

Chairman & Non-Executive Director

DIN : 05184138

## Annexure III

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2021

(Pursuant to Section 135 of Companies Act, 2013 read with Rules thereunder)

#### 1. Brief outline on CSR Policy of the Company.

During this financial year 2020-21, the Company continued to make its commitments for the CSR initiatives, the details of the activities/ contributions are given below: The Policy can be viewed at our website: <https://expleogroup.com/wp-content/uploads/2021/04/Policy-Corporate-Social-Responsibility.pdf>

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prof. S. Rajagopalan	Chairman / Independent Director	4	4
2	Prof. K. Kumar	Member / Independent Director	4	4
3	Ms. Lilian Jessie Paul	Member / Independent Director	4	4

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	CSR Committee: <a href="https://expleogroup.com/expleo-solutions/corporate-governance/">https://expleogroup.com/expleo-solutions/corporate-governance/</a> CSR Policy: <a href="https://expleogroup.com/wp-content/uploads/2021/04/Policy-Corporate-Social-Responsibility.pdf">https://expleogroup.com/wp-content/uploads/2021/04/Policy-Corporate-Social-Responsibility.pdf</a> CSR Projects: <a href="https://expleogroup.com/expleo-solutions/csr-certifications/">https://expleogroup.com/expleo-solutions/csr-certifications/</a>
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	NA
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	NA

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
		Nil	

6	Average net profit of the company as per section 135(5).	INR 438,085,301
7	(a) Two percent of average net profit of the company as per section 135(5)	INR 87,61,706
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL

	(c) Amount required to be set off for the financial year, if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b-7c)	INR 87,61,706
8	(a) CSR amount spent or unspent for the financial year:	

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
87,61,706	Nil	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg. number
1	PM CARES	Prime Minister Relief Fund	No	Pan-India Implementation		28,240	Yes	-	-
2	Supporting Differently Abled: High School Project Vidya Sagar (formerly The Spastics Society of India)	Education	Yes	Tamil Nadu	Chennai	1,412,316	Yes	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg. number
3	Supporting Differently Abled: Monthly Contribution Project: Vidya Sagar	Education	Yes	Tamil Nadu	Chennai	486,600	Yes	-	-
4	Supporting Differently Abled: Care Giving Project: Vidya Sagar	Education	Yes	Tamil Nadu	Chennai	740,800	Yes	-	-
5	Science Centre Project : Agastya International Foundation	Education	Yes	Tamil Nadu	Chennai	325,951	Yes	-	-
6	Lab on Bike: Agastya International Foundation	Education	Yes	Maharashtra	Mumbai	516,915	Yes	-	-
7	Let them Live (Tree Plantation): SankalpTaru	Environment Protection	Yes	Tamil Nadu	Mahabalipuram	100,000	Yes	-	-
8	Learn From Home Projects: e-Vidyaloka	Education	Yes	Tamil Nadu	Chennai	1,090,000	Yes	-	-
9	Provided Masks for COVID 19: Brihanmumbai Municipal Corporation, Mumbai	Health Care	Yes	Maharashtra	Mumbai	380,862	Yes	-	-
10	Provided Masks and electronic BP monitors for COVID 19: Greater Chennai Corporation	Health Care	Yes	Tamil Nadu	Chennai	659,715	Yes	-	-
11	Provided the Surgery Equipment: Voluntary Health Services	Health Care	Yes	Tamil Nadu	Chennai	3,016,958	Yes	-	-
	<b>Total</b>					<b>8,758,357</b>			

(d)	Amount spent in Administrative Overheads:	INR 3,349
(e)	Amount spent on Impact Assessment, if applicable	NA
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	INR 8,761,706
(g)	Excess amount for set off, if any	NIL

Sl. No.	Particulars	Amount (in INR)
i)	Two percent of average net profit of the company as per section 135(5)	87,61,706
ii)	Total amount spent for the Financial Year	87,61,706
iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9.	(a)	Details of Unspent CSR amount for the preceding three financial years:
----	-----	--

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
NIL							

	(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
--	-----	--

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
NIL								

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)	
	(a) Date of creation or acquisition of the capital asset(s)	NA
	(b) Amount of CSR spent for creation or acquisition of capital asset	NA
	(c) Details of the entity or public authority or beneficiary underwhose name such capital asset is registered, their address etc.	NA
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	NA
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	NA

**Place :** Bengaluru

**Date :** May 20, 2021

**Balaji Viswanathan**

Managing Director & CEO

**Prof. S. Rajagopalan**

Chairman - CSR Committee



## Annexure IV A

Pursuant to Section 197 of Companies Act, 2013 r/w Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One crore and Two lakhs

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Balaji Viswanathan	Managing Director & CEO	18,042,846	B.Sc., ICWAI (Inter)	28	26/Jul/2018	49	Sr. Director - Global Banking & Insurance Delivery - Concentrix Daksh Service India Pvt Ltd	-	NA
2	Judson Daniel JM	Project Manager (QA)	12,083,657	B.Com, MCA	18	20/Feb/2003	42	First Employment in this Company	-	NA
3	Phani Tangirala	Senior Director-Global BFSI Vertical	10,667,765	B A	30	23/Sep/2010	49	Project Director, SSP India Private Limited	0.17	NA

# The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note : 1 : All the employees mentioned above are on the rolls of the Company

Note : 2 : None of the employees are relative of any Director or Manager

Note : 3 : It includes other incentives related to the FY 2019-20 which is paid during the current Financial Year

**Top Ten Employees in terms of Remuneration drawn during the financial year 2020-21**

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #
1	Balaji Viswanathan	Managing Director & CEO	18,042,846	B.Sc., ICWAI (Inter)	28	26/Jul/2018	49	Sr. Director - Global Banking & Insurance Delivery - Concentrix Daksh Service India Pvt Ltd	-
2	Judson Daniel JM	Project Manager (QA)	12,083,657	B.Com, MCA	18	20/Feb/2003	42	First Employment in this Company	-
3	Phani Tangirala	Senior Director-Global BFSI Vertical	10,667,765	B A	30	23/Sep/2010	49	Project Director, SSP India Private Limited	0.17
4	Christin Prabu S	QA Manager	7,883,640	M.Sc.	14	31/Jan/2011	37	Senior Quality Analyst - TCS e-Serve Ltd.,	-
5	Hari Hara Sudhan C	Technical Lead	7,103,492	B.E., MBA	12	19/May/2010	32	Hensel, Trainee Engineer	-
6	Nisha Nagwani	Senior QA Analyst	7,081,279	BE, MBA	8	7/Sep/2012	30	First Employment in this Company	-
7	Balaji M	Senior QA Analyst	7,027,455	B.Tech	11	29/Jul/2013	35	Test engineer - STC Technology	-
8	Desikan Narayanan	CFO	7,022,986	B.Com, ACA, ICWAI (Inter)	22	17/Feb/2016	48	Director Finance - Barry-Wehmiller International Pvt Ltd	-
9	Vignesh M	Senior Business Analyst	6,962,979	BBM, MBA	13	16/May/2013	33	Analyst - Royal Bank of Scotland Business Services Ltd	-
10	Pierre Patrick Pereira	Senior QA Analyst	6,941,362	BE (IT)	8	7/Sep/2012	31	First Employment in this Company	0.00

# The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note : 1 : All the employees mentioned above are on the rolls of the Company

Note : 2 : None of the employees are relative of any Director or Manager

Note : 3 : It includes other incentives related to the FY 2019-20 which is paid during the current Financial Year

**II Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight lakhs Fifty thousand only per month**

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #
NIL									

**III Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company**

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #
NIL									

# The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**For and on behalf of Board of Directors of  
Expleo Solutions Limited**

**Place:** Cologne, Germany

**Date :** May 20, 2021

**Ralph Franz Gilllessen**

Chairman and Non-Executive Director

DIN : 05184138

## Annexure - IV B

Details as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

### 1 The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sl.No.	Name of the Director	Ratio of the remuneration of director to the median employee remuneration
1	Mr. Balaji Viswanathan	24.39 : 1 (1 denotes Median Salary)
2	Prof. K. Kumar	2.16 : 1 (1 denotes Median Salary)
3	Ms. Lilian Jessie Paul	1.97 : 1 (1 denotes Median Salary)
4	Prof. S. Rajagopalan	2.16 : 1 (1 denotes Median Salary)
5	Mr. Rajiv Kuchhal	1.94 : 1 (1 denotes Median Salary)
6	Mr. Ulrich Baümer	1.74 : 1 (1 denotes Median Salary)

The working is based on payment/provision made in the books during the financial year.

### 2 Percentage increase in remuneration

Sl.No.	Name	Designation	Percentage increase/ decrease in remuneration
1	Prof. K.Kumar	Director	11% increase compared to previous year*
2	Mr. Balaji Viswanathan	Managing Director & CEO	8% increase compared to previous year#
3	Ms. Lilian Jessie Paul	Director	22% increase compared to previous year*
4	Prof. S. Rajagopalan	Director	17% increase compared to previous year*
5	Mr. Rajiv Kuchhal	Director	10% increase compared to previous year*
6	Mr. Ulrich Baümer	Director	30% increase compared to previous year*
7	Mr. Desikan Narayanan	Chief Financial Officer	6% increase compared to previous year#
8	Mr. S. Sampath Kumar	Company Secretary & Compliance Officer	7% increase compared to previous year#

\* The working is based on provisions made in the books during the current financial year and the payment will be made during the FY 2021-22.

# The Increase % considered during incremental cycle by the Board of Directors.

### 3 Percentage increase in the median remuneration of employees

The percentage of increase in the Median employee remuneration is 2.34% as compared to the previous year.

### 4 Permanent Employees

The Number of Permanent Employees on the rolls of the Company as on March 31, 2021 is 1,063 employees.

**5 Other details:**

<b>S.No.</b>	<b>Particulars</b>	<b>Remarks</b>
a	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	During the FY 2019-20, the overall salary increased for the employees by around 8% (which excludes Managerial Remuneration).
b	Percentile increase in managerial remuneration	Compared to last financial year, the Managerial remuneration increase by 8%.
c	The comparison with the percentile increase in the employee remuneration with managerial remuneration and justification thereof	Employee remuneration (Excluding Managerial Remuneration) increased during FY 2020-21 (i.e. wef. Jan '21) by 10% which was based on the appraisals and evaluations.
d	Any exceptional circumstances for increase in the managerial remuneration	N.A.

**6** We hereby affirm that the remuneration paid to the Directors and Employees are as per the remuneration policy of the Company.

**For and on behalf of Board of Directors of  
Expleo Solutions Limited**

**Place:** Cologne, Germany  
**Date :** May 20, 2021

**Ralph Franz Gillessen**  
Chairman and Non-Executive Director  
DIN : 05184138

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2019-2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

#### The Members

#### EXPLEO SOLUTIONS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EXPLEO SOLUTIONS LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the **EXPLEO SOLUTIONS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2021 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "**the Company**" for the Financial Year ended March 31, 2021 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder,
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder,
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings,
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-
  - i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (there were no events requiring compliance during the Audit Period)
  - iv) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing the Companies Act, 2013 and dealing with client.
  - vi) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - vii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (there were no events requiring compliance during the Audit Period)
  - viii) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (there were no events requiring compliance during the Audit Period)
  - ix) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (there were no events requiring compliance during the Audit Period)

**We report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis, the Company has complied with the following Labour and Industrial Laws specifically applicable to the Company, as listed below, as amended from time to time;

- a) The Special Economic Zone Act, 2005 and rules made thereunder
- b) The Contract Labour (Regulation and Abolition) Act, 1970
- c) The Employees' Compensation Act, 1923
- d) The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
- e) The Employees' State Insurance Act, 1948
- f) The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- g) The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
- h) The Industrial Disputes Act, 1949
- i) The Maternity Benefit Act, 1961
- j) The Minimum Wages Act, 1948
- k) The Payment of Bonus Act, 1965
- l) The Payment of Gratuity Act, 1972
- m) The Payment of Wages Act, 1936
- n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- o) The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
- p) The Tamil Nadu Labour Welfare Fund Act, 1972
- q) The Tamil Nadu Payment of Subsistence Allowance Act, 1981
- r) The Tamil Nadu Shops and Establishments Act, 1947
- s) The Tamil Nadu Industrial Establishment (National, Festival and Special Holidays) Act, 1958
- t) The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992
- u) The Maharashtra Shops and Establishments (Regulation Of Employment And Conditions Of Service) Act, 2017
- v) The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We also report that** during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For M. Alagar & Associates**

**M. Alagar**

**Managing Partner**

**Practicing Company Secretary**

**FCS No.: 7488**

**CoP No.: 8196**

**UDIN: F007488C000196094**

**Place :** Chennai

**Date :** May 3, 2021

## **ANNEXURE SECRETARIAL AUDIT REPORT**

To,

**The Members**

**EXPLEO SOLUTIONS LIMITED**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the Company.

**For M. Alagar & Associates**

**M.Alagar**

**Managing Partner**

**Practicing Company Secretary**

**FCS No.: 7488**

**CoP No.: 8196**

**UDIN: F007488C000196094**

**Place :** Chennai

**Date :** May 3, 2021



# Management Discussion and Analysis 2020-21



## Resilience: A core differentiator to navigate business disruption

This year, the world witnessed a socioeconomic crisis that changed the way businesses work forever. Safety has become the foremost concern for every business due to the unprecedented disruption caused by the COVID-19 pandemic, and the tragic loss of lives worldwide. However, despite the uncertainty, our employees have quickly adapted to remote working, and we profusely thank them for that. We sincerely appreciate our customers for their undeterred support and understanding through the transition to new ways of working. The resilience demonstrated by Expleo's techno-functional team, and the dedication of our leaders has enabled us to achieve uninterrupted delivery and profitable growth.

During the year, Expleo Group's Board of Directors appointed Mr. Rajesh Krishnamurthy as Expleo's new group CEO in July 2020. Rajesh has an exceptional leadership track record with global leaders of the technology industry. He has a detailed understanding of Expleo's markets, across engineering, quality, and consulting services and a vision for the future of digital enterprises. Rajesh has unveiled a strategy to harness Expleo's capabilities to steer it into a fast-growing digital transformation journey.

The need of the hour for our customers are partners they can trust, to solve the unprecedented challenges brought forth by the pandemic. They rely on emerging

technologies to augment their capabilities that will drive operational efficiency and growth in the new normal. Expleo will strive to deliver agility, adaptability, and resilience to our customers across various sectors to future-proof their infrastructure. With our renewed focus on Digital Capabilities, specialized and new-age Testing Services (Mobile, IoT, Data Management, Quality Engineering), Automation and DevOps, we are helping our customers with integrated solutions that will accelerate their digital transformation journey.

We continued to invest in building capabilities in software configuration, assurance and development through our dedicated upskilling programs covering more than 80% of our employees. We empowered our employees to hone their skills while providing them with relevant resources and an efficient operating environment. The increase in the number of deals in the last two quarters has helped us almost double the Digital revenue.

Organizations are looking to build Digital First business, and technology will play a significant role. A study by McKinsey revealed that companies had accelerated their digital transformation by three years. As organizations scale their digital transformation initiatives, the next generation testing approach and automation will become crucial, opening a massive opportunity for Technology partners like us.



### Financial Highlights:

Our Total Income during the Financial Year 2020-21 grew by 10.2% compared to the previous year - from INR 2,780 million to INR 3,063 million. Our EBITDA and Profits After Tax (PAT) improved due to continued cost optimization measures and the absence of travelling expenses. Our EBITDA witnessed a growth of 23.4% from INR 610 million (21.9%) to INR 753 million (24.6%), and our PAT improved by 26.4% from INR 399 million (14.4%) to INR 504 million (16.5%). As of March 31, 2021, DSO was at 70 days compared to 85 days of March 31, 2020.

Our demand environment and deal pipeline remain strong, a testimony to our customer satisfaction and technical capability. Asia Pacific, UK, and Europe remain our critical markets for strategic growth and traditional offshoring. We are focusing on driving momentum, investments, and scale in the North American region.

## Financial Ratios:

The details of significant changes (i.e., change of 25% or more as compared to the immediate previous financial year) in key financial ratios, along with detailed explanations, therefore:

(INR Mn.)

Sl. No	Ratio description	March 31, 2021	March 31, 2020	Change %	Explanation
1	Interest Coverage Ratio	65.78	49.79	32.1	EBIT increased by 25.9% and Interest expense dropped by 4.7% as compared to last year leading to the swing of 32.1%
2	Current Ratio	4.11	3.32	23.8	-

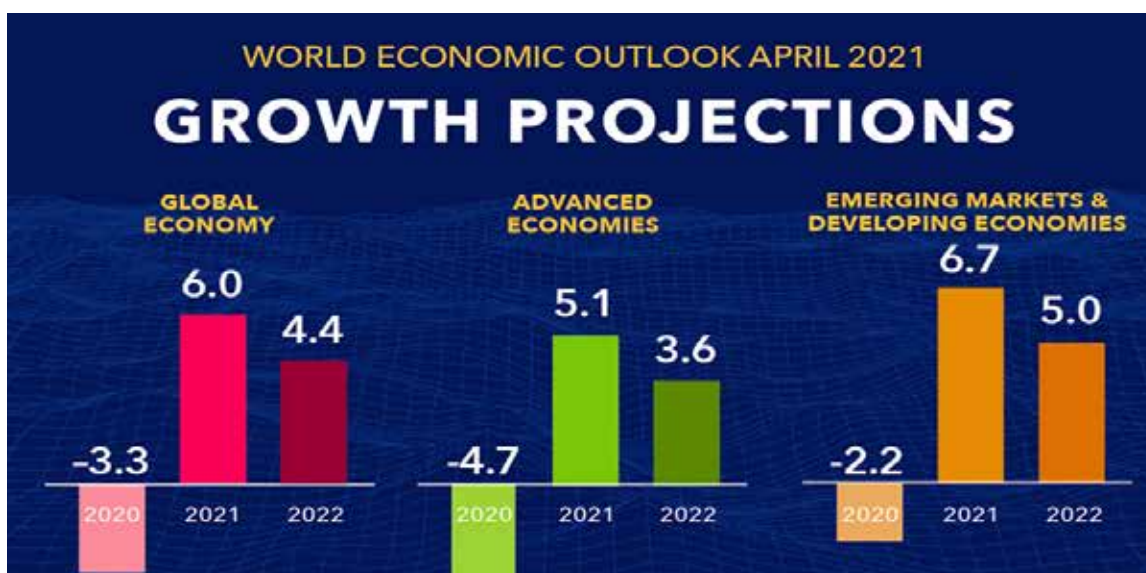
## Global Outlook & Industry Trends

### Global Economy

Disrupted supply chains, national lockdowns and interrupted demand have impacted the global economy, as businesses came to a halt to prevent the spread of infections. In the following year, organizations will focus on building resilience and thrive in the new normal with a new approach to business backed by technology.

According to the IMF World Economic Outlook of April 2021, the global economy is projected

to rebound by 6.0% in 2021, moderating to 4.4% in 2022 which is a big turnaround from a contraction of (-)3.3% in 2020 when the pandemic hard hit the globe. Furthermore, the successful rollouts of COVID-19 vaccines and the recently announced additional fiscal stimulus of USD 1.9 trillion in the United States are driving the confidence and optimism for businesses across the World.



## Global IT Industry

Despite the challenges posed by the Covid-19 pandemic, the global IT industry is on the pace to approach US\$ 6.8 trillion in size by 2023. The digital transformation (DX) investment is expected to grow at a CAGR of 15.5% from 2020 to 2023. Organizations are fuelling their investments in next-gen technologies and rethinking their existing strategies to become digital-at-scale future organizations, according to IDC worldwide IT industry release for 2021. The jolt caused by the pandemic on established ways of operating will accelerate the large digital initiatives that organizations had planned for, even before the outbreak.

With the almost overnight shift to a remote working model and rapid digitalization, leading analysts like IDC have predicted that the key drivers of the IT industry in 2021 will be Cloud, AI/ML, business automation and autonomous IT operations.

- By the end of 2021, 80% of organizations will put a mechanism in place to shift to cloud-centric infrastructure and applications twice as fast as before the pandemic.
- By 2023, an emerging cloud ecosystem for extending resource control and real-time analytics will be the underlying platform for all IT and business automation initiatives anywhere and everywhere.
- By 2023, driven by the aim to embed intelligence in products & services, 1/4<sup>th</sup> of G2000 companies will acquire at least one AI software start-up to ensure differentiated skills and IP ownership.
- By 2024, 80% of organizations will revamp relationships with suppliers, providers, partners to execute better digital strategies for ubiquitous deployment of resources and autonomous IT operations.
- By 2023, half of the enterprises' hybrid workforce and business automation efforts will be delayed or fail outright due to underinvestment in building IT/DevOps teams with the right tools/skills.

It is predicted that IT spending will significantly increase in the industries such as Healthcare, e-commerce platforms, Education and BFSI, which are already riding the digital wave. Meanwhile, severely affected sectors such as Aviation, Tourism, Hospitality, Discrete Retail and Manufacturing will tread carefully to manage their costs and profits.

New emerging digital technologies will account for a larger share of the overall IT spend in the new normal. Growth in traditional hardware, software and services will be driven by cloud and mobile and will maintain a stable share of the overall business and consumer spending. The United States will remain the largest market for DX spending, delivering around one-third of the worldwide total in 2020, followed by Western Europe, which will be the second-largest market for DX spending, as per IDC's release.



## Accelerating our customers' digital transformation journey

Last year, we faced a demand for immediate short-term deployments and shorter decision cycles for primary digitalization requirements. There is a surge in the demand for digital services in the past nine months with urgency for testing and implementation. Responding to this sustained demand, we built a Centre of Excellence for digital practices to track demand and focus our efforts to address digital requirements.

This in turn brings a large opportunity for software testing. According to the NASSCOM report, the global software testing market is projected to expand to US\$ 76 billion by 2022, a CAGR of 8% from 2019 to 2022. The banking financial services and insurance (BFSI) industry will remain at the forefront of leveraging digital technologies and is a dominant patron of the software testing market. The complexity of existing testing tools and platforms, disruptive business models and computing technologies will require an overhaul of software testing approaches.

Modern testing solutions have evolved to do much more than just finding bugs and errors. At Expleo Solutions, our customers have been enabled to evaluate product ideas, predict behaviours, and analyse opportunities and threats. Consumerism and speed to market have necessitated early and continuous testing by linking it directly to user experience as they build innovative products. In the coming year, the largest shift we will witness is the transition from manual to functional automation. Agile/ DevOps are now mainstream, extending process automation beyond discrete areas to provide end-to-end global services. Digital technologies such as Cloud, Blockchain, AI/ML, IoT, Big Data, Mobility, Virtual Reality, Industry 4.0 and Distributed Ledger Technology (DLT) will alter the objectives of software testing with modern tools and methods.

Some industries will adapt to the change quicker than the others. With the sudden surge in the usage of digital banking applications worldwide, banks need to leverage Quality Assurance (QA) solutions to achieve zero downtime coupled with secure and seamless online and mobile transactions. With the lessons learned from the pandemic, banks are accelerating automation with customer-facing chatbots, Robotic Process Automation (RPA), and end-to-end account origination solutions. They are also rethinking organizational structures and workflows as well as reprioritizing modernization

projects. Thus, the growing demand for software development and applications will substantially contribute to the growth of the Quality Assurance (QA) services market, where Expleo has undisputed domain expertise.

We believe that effective testing will provide the backbone for any end-to-end quality management system. We support our customers continuous quality with a core set of proven testing processes and underlying tools:

**Test management:**

Meticulous planning, communication, and control of our test efforts have always assured effective delivery.

**Functional testing:**

Our service covers the full functional test range to achieve the highest test coverage along the software development lifecycle in sequential and iterative delivery models.

**Non-functional testing:**

We help our customers with solution design and help them reduce the significant amounts of risk that sit within the non-functional attributes like performance, security etc.

**Product testing:**

We have built an extensive range of “pre-canned” test suites that act as test service accelerators for many strategic products across various sectors and industries.

**Compliance testing:**

Our solutions are built to comprehensively address the risks associated with regulatory and legal standards.

**UX/CX testing:**

Our testing solutions keep the customer experience at the centre to ensure that evolving customer expectations are met quickly.

**Mobile testing:**

From application and browser testing for retail and banking applications to advanced mobility solutions in the automotive and aerospace sectors, we offer end to end testing services that ensure the desired user experience and business value.

**Managed testing services:**

We deliver our services by an industrialized managed service approach (IMS) that includes predefined delivery models, test approaches and test reporting metrics that support scalable service delivery, project progress and quality control.



## Driving business value with Agile and DevOps

The need for Enterprise Agility, including Delivery Agility, has intensified as organisations face the need for speed, stability, innovation, and operational efficiency. Expleo's Business Agility Consultancy services and specialized DevOps services enable this Agile transformation for clients in different business verticals across the globe and helping them to sustain and grow in today's dynamic business environments.

## Meeting the demand for QAOps to deliver exceptional user experience

QA procedures are an integral part of end-to-end software development. Expleo's QAOps integrates Quality Assurance (QA) and IT operations (Ops) with the Continuous Integration/Continuous Delivery (CI/CD) chain. QAOps implies close communication and coordination among team members, ensuring uncompromised quality, on-time delivery, and shortened time to deliver new features. Expleo leverages a progressive technique to detect errors faster and expedite product-to-market. Expleo's solutions in QAOps and DevOps are aligned with industry trends and best practices.

## 100% app success with mobile testing

Mutable market dynamics and End-User expectations have forced businesses to pay more attention to delivering mobile application services to their customers. This has put mobile testing in a new light to ensure quality and customer loyalty. Expleo's managed mobile centre of excellence supports organizations to integrate their mobile testing process, provide extensive platform coverage across various device vendors while providing key business benefits. We offer advanced mobile application testing to ensure mobile applications are equipped with intuitive and engaging user interfaces along with exceptional application performance.

## Improved device efficiency and performance with IoT testing

Transportation and logistics, machinery manufacturing, healthcare and agriculture are exploiting the benefits of IoT. According to Reportlinker, a market research firm, the global IoT market is expected to touch US\$ 421.3 billion by 2025, growing at a CAGR of 33% between 2021 to 2025. Driverless cars, drones, smart homes, intelligent factories, and next-gen medical devices have driven a spike in the use of intelligent connected devices with embedded software. Their performance is critical and needs to be tested on predetermined metrics in real-time. Expleo delivers world-class IoT testing services with cost-effective, integrated solutions that ensure a compelling customer experience and maximizing business value.

## Increased Speed, Quality, and productivity with Robotic Process Automation (RPA)

With our internal Centre of Excellence for RPA, we envisage ample offshoring opportunities. The renewed prioritization of digital and automation has opened potential opportunities in the RPA space. We deliver Enterprise RPA implementation and test automation framework using RPA tool for our customers primarily in the BFSI sectors. Our recent partnerships with BluePrism and UiPath have helped us establish augmented capabilities in RPA. A strong pipeline across industries and regions is a testimony to our strong capabilities in RPA.



## Accelerated development and innovation with Codeless Automation Testing

With the exponential growth of the web development industry, test automation is rising significantly as manual testing does not meet the current software development requirements. Leading tech companies are implementing codeless test automation to increase their test usability. By using codeless automation tools, testers can develop test case scenarios without any coding experience and reduce the time spent on repetitive test cases. And an added advantage is that codeless testing does not require technical expertise, saving resource hours and cost. We have helped our customers move to modern testing practices thus helping them reduce testing cost and time significantly.

## Guaranteed secure systems with cybersecurity testing

Cybercrime is estimated to cost the world more than US\$ 6 trillion a year from 2021, as per Cybersecurity Ventures. At the same time, the global security testing market is expected to grow at a CAGR of 22.3% to US\$ 16.9 billion by 2025 (Source: Marketsandmarkets). The recent shift to remote working and the increased usage of mobile and web applications for accessing multiple daily needs, including financial transactions, has made cybersecurity testing a crucial part of the software development lifecycle. Additionally, maintaining cybersecurity has become a requirement given the stringent regulatory standards. Expleo Cyber Security testing capabilities have matured over the years with high demand across various clients in India, APAC, Europe, and MENA region. At Expleo, 90% of our resources are now certified security professionals.

Expleo has significantly invested in security testing and has started a new service offering called "Security Operations Centre" (SOC) in addition to standard Vulnerability and Penetration Testing (VAPT) services. Expleo now has 50+ career security testers with CEH certification who provide security testing services to our customers. The Expleo Group has formed the Cybersecurity Virtual Excellence Centre (VEC) and our company play a key role.

## Next-gen Test Automation using Artificial Intelligence (AI) and Machine Learning (ML)

Following the pursuit of newer technologies such as AI with passion, Expleo emerged as a leader in new age testing using AI. Expleo developed a prototype of Intelligent Test Data Management System (iTDM) which uses machine learning techniques to generate synthetic data and classify them based on server response. The system understands the error message and self-heals the data entry, organising it further based on server response, thus accelerating the testing process. Expleo is also partnering with companies like Functionize and Tonic.AI to augment our AI/ML in testing. Expleo has fused AI/ML and RPA to arrive at Intelligent Process Automation with Python and used successfully in banking to analyse and detect risky customers before onboarding them for KYC.



## Driving scale with QA Automation:

We are committed to helping our clients with the next era of test automation with Expleo's model-centric and scriptless test automation strategy. A significant goal of continuous testing with test automation frameworks integrated with the development pipeline has hence become a reality. We, e.g., identify use cases using our next-generation AI-driven test automation technology to automate the application user interface independent of the underlying technology.

## Low-Code Development Platform

In 2021, our thrust on Digital and Emerging services has brought significant focus on the Low code capabilities.

Explo is developing multiple strategic partnerships with market-leading low code platforms to service its customers in multiple domains, including BFSI and manufacturing. This will help us enable our customers who are looking for rapid development and deployment of futuristic, capable, design thought applications in an agile manner.

Explo has developed a strategic resource bench to address these requirements through its Low Code capabilities. These capabilities bring significant productivity improvement through development speed, testing efficiency, frequent code deployments and improved KPI adherence.



## Big Data Services

Big Data plays a vital role across industry sectors, especially in banking, insurance, treasury, capital markets, telecom, technology, health care. Big Data is expected to grow exponentially and the need for developing, testing and administering big data applications is expected to see a new rise in 2021.

Explo service offerings for Big Data technologies are mentioned below:

### Big Data Development:

- Data Ingestion
- Data Storage (Data Lake and Data Hub)
- Data Processing
- Data Analytics
- Data Visualization

### Big Data Testing:

- Source data quality check
- Data storage validation
- Data storage encryption validation
- Map Reduce / Spark process validation.
- Processed data validation
- ETL / Batch / Real-time streaming process validation
- Reports / Analytics testing
- Range of non-functional testing (Performance, Security and Failover testing) services

### Big Data Administration (On-prem and Cloud):

- Hadoop Installation
- Hadoop Configuration
- Hadoop Cluster Setup
- Monitoring and Maintaining Hadoop Clusters



## **The New Normal: Faster, Safer and Experience Led**

Several industries were severely hit due to the closing of borders, workforce shortage, distributed and broken supply chains and unfamiliar restrictions. In the IT services industry, remote working with its attendant risks has been a significant challenge, coupled with the impact on our customers' businesses.

Expleo's success in business continuity by seamlessly transitioning to remote delivery at a very early stage of the pandemic has helped us retain our existing clients and strengthen the relationships. Our agility in service delivery has enabled our clients to rapidly implement the changes required in dealing with the new normal. Expleo has taken several measures to ensure the safety of our primary assets, our people, and enable work-life balance that is critical for a motivated workforce.

The impact of the pandemic has also resulted in reprioritizing budgets. So that companies can efficiently invest them in technology initiatives that will help them sustain business operations. Areas such as front office operations and digital channels are rapidly automated and enhanced to meet the needs of the new contactless environment. Traditionally conservative industries like Insurance are also

rapidly accelerating digital programmes to meet the increased online interactions.

Expleo's digital services provide the perfect platform for clients to progress on their digital journey and create a clear differentiator in a busy marketplace. With mature development services, be it traditional or low code, combined with Quality Assurance and Quality Engineering services, Expleo is now providing end-to-end services for all aspects of the SDLC. The core expertise in Quality Assurance is directly embedded even in the development service. This ability to evolve with the times is a crucial aspect of Expleo's continued place as a trusted partner for clients across the globe.

## **Internal Controls Systems and their adequacy**

The CEO and CFO of the Company have provided a certificate, which forms a part of this annual report, which confirms the adequacy of the internal control systems and procedures.



## Report on Corporate Governance

### 1. Company's Philosophy on Code of Corporate Governance:

Expleo Solutions Limited ("the Company") is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders', and other Stakeholders' interests. In line with this philosophy, the Company endeavours to maintain transparency at all levels through adoption of best Corporate Governance Practices. The following is a report on the status and progress on the major aspects of Corporate Governance.

### 2. Board of Directors:

The Directors of the Company possess highest professional ethics, integrity and values and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company.

#### I. Composition:

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management.

As on March 31, 2021, the Board of Directors ("Board") comprises of eight members out of which one is Executive Director, two are Promoter- Non-Executive Directors and five are Non-Executive - Independent Directors.

Mr. Olivier Aldrin (DIN - 08345218) has submitted his resignation as Director (Promoter-Non-Executive) of the Company with effect from July 15, 2020 due to personal reasons.

Mr. Rajesh Krishnamurthy (DIN - 08288884) has been appointed as Additional Director (Promoter-Non-Executive) of the Company with effect from September 1, 2020 by the Board of Directors and he shall hold office up to the date of the ensuing Annual General Meeting.

Mr. Martin Hodgson (DIN - 08720176) has submitted his resignation as Director (Promoter-Non-Executive) of the Company with effect from March 31, 2021 due to personal reasons.

The Board of Directors has unanimously approved the appointment of Mr. Ralph Franz Gillessen (DIN - 05184138), existing Promoter Non-Executive Director of the Company, as Chairman of the Company's Board with effect from May 20, 2021.

The optimum combination of Executive, Non-executive and Independent Directors ensure independence of the Board and separation of Board function from governance and management.

The Board of Directors is of the opinion that the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

As mandated under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, neither of the Directors are a member of more than ten Board Level Committees nor any of them are Chairman of more than five Board level Committees, across all Public Limited Companies in which they are Directors.

#### II. Board Meetings:

4 (Four) Board Meetings were held during the year through video conference and the gap between any two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows: May 28, 2020, August 20, 2020, November 5, 2020 and February 4, 2021.

**Attendance of each Director at the Board Meetings and last AGM and the number of companies and Committees where he / she is a Director/ Member are as under:**

Name of the Director	Category of Director	Number of Board Meetings during the year 2020-21			Whether attended last AGM held on August 27, 2020	Directorships in other Public Companies	Number of Committee positions held in other Public Companies
		Held	Held after appointment / before resignation	Attended			
Mr. Ralph Franz Gillessen	Promoter-Non-Executive Director	4	4	3	Yes	-	-
Prof. K. Kumar	Independent & Non-Executive Director	4	4	4	Yes	-	-
Mr. Balaji Viswanathan	Managing Director & CEO	4	4	4	Yes	-	-
Ms. Lilian Jessie Paul	Independent & Non-Executive Director	4	4	4	Yes	3	2
Prof. S. Rajagopalan	Independent & Non-Executive Director	4	4	4	Yes	-	-
Mr. Rajesh Krishnamurthy *	Promoter-Non-Executive Director	4	2	-	NA	-	-
Mr. Rajiv Kuchhal	Independent & Non-Executive Director	4	4	4	Yes	-	-
Mr. Ulrich Bäumer	Independent & Non-Executive Director	4	4	4	Yes	-	-
Mr. Olivier Aldrin @	Promoter-Non-Executive Director	4	1	-	NA	-	-
Mr. Martin Hodgson #	Promoter-Non-Executive Director	4	4	4	Yes	-	-

\* Appointed with effect from September 1, 2020.

@ Resigned with effect from July 15, 2020.

# Resigned with effect from March 31, 2021.

**Notes:**

- None of the Directors, holds directorships in any other Indian Public Limited Companies nor hold Membership/Chairmanship of any Committee(s) in other Indian Public Limited Companies (listed and unlisted), apart from the details given above.
- For the purpose of Membership in Committees, the Membership in Audit Committee and Stakeholders Relationship Committee are only considered as per Regulation 26(1)(a) &(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Non-Executive Directors, apart from receiving director's sitting fees/commission, have any material pecuniary relationship or transactions with the Company.

- d. None of the Directors are related inter-se.
- e. During the year, information as mentioned under Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has been placed before the Board for its consideration.

**Name of other listed entities where Directors of the company are Directors and the category of Directorship:**

Sl. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1	Ms. Lilian Jessie Paul DIN : 02864506	i) Royal Orchid Hotels Limited	Independent & Non-Executive Director
		ii) Bajaj Consumer Care Limited	Independent & Non-Executive Director
		iii) Credit Access Grameen Limited	Independent & Non-Executive Director

**Skills / Expertise / Competencies of the Board of Directors:**

The following are the core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the said skills are available with the Board Members:

Name of Directors	Skills / Expertise / Competencies
Mr. Ralph Franz Gillessen	i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
Prof. K. Kumar	
Mr. Balaji Viswanathan	ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
Ms. Lilian Jessie Paul*	iii) Business Strategy, Corporate Governance, Forex Management, Administration, Decision Making
Prof. S. Rajagopalan	
Mr. Rajesh Krishnamurthy @	iv) Sales & Marketing - Developing strategies to grow sales and market share, build brand awareness and equity, and enhance Company's reputation
Mr. Rajiv Kuchhal	v) Financial and Management skills
Mr. Ulrich Bäumer	vi) Technical / Professional skills and specialized knowledge in relation to Company's business

\* Except Forex Management.

@ Appointed with effect from September 1, 2020.

**Post meeting follow-up mechanism:**

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for taking note.

**III. Number of Shares held by Non-Executive Directors:**

Number of shares held by Non-Executive Directors as on March 31, 2021 are:

Sl. No.	Name	Shares
1	Prof. K. Kumar	11,000
2	Prof. S. Rajagopalan	1,000
3	Mr. Rajiv Kuchhal	58,855
	<b>TOTAL</b>	<b>70,855</b>

No other Non-Executive Directors hold any shares in the Company.

#### **IV. Familiarization Programmes:**

The details of familiarization programmes provided to Independent Directors is uploaded in the Company's website.

The web link for the same is <https://expleogroup.com/wp-content/uploads/2021/05/Details-of-Familiarisation-Program-for-Independent-Directors.pdf>

### **3. Audit Committee:**

#### **I. The terms of reference of the Audit Committee are broadly as under:**

- a) 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;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' 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 ("the Act");
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Modified opinion(s) in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, 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;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing 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;
- p) 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;
- q) 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;
- r) To review the functioning of the Whistle Blower Mechanism;
- s) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) 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;
- u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## **II. Composition, name of the Members and Chairman, meetings and attendance during the year:**

The Audit Committee of the Company is constituted in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Section 177 of the Companies Act, 2013. Accordingly, the Audit Committee consists of three Independent Directors. The Chairman of the Audit Committee is an Independent Director.

The Statutory Auditors and Internal Auditors are invited to attend the Audit Committee meetings as and when necessary and the Company Secretary acts as the Secretary of the Committee.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board along with the Board Agenda.

Four Audit Committee Meetings were held through video conference during the year. The dates on which the said meetings were held are as follows: May 27 & 28, 2020, August 19 & 20, 2020, November 5, 2020 and February 4, 2021.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Director	Status	Number of meetings during the year 2020-21		
		Held	Held after Appointment / before resignation	Attended
Prof. K. Kumar	Chairman	4	4	4
Prof. S. Rajagopalan	Member	4	4	4
Mr. Rajiv Kuchhal	Member	4	4	4

Prof. K. Kumar, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on August 27, 2020.

During the year, all the recommendations of the Audit Committee were accepted by the Board.

#### **4. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was constituted to assist the Board in discharging responsibilities related to performance evaluation, formulating policy for selection and appointment of directors and Key Managerial Personnel (“KMP”), and appointment and compensation of the Company’s Executive Directors / KMP. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies, and programs for the Executive Director. The Committee is entailed to formulate various policies as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

##### **I. Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are broadly as under:

- a) 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;
- b) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- c) Devising a policy on Board diversity;
- d) Identifying 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;
- e) Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- f) 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;
- g) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- h) To review the Company’s remuneration policy on specific remuneration packages to Executive Directors including pension rights and any compensation payment while striking a balance with the interest of the Company and the shareholders;
- i) To approve the Annual Remuneration Plan of the Company;
- j) To formulate the Employees Stock Option Scheme in accordance with the relevant regulations/ guidelines for the time being in force, recommend the same to the Board for its consideration

and administration of ESOP Scheme as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014.

**II. Composition, name of the Members and Chairman and attendance during the year:**

The Committee consists of three Independent Directors.

The quorum for a meeting of the nomination and remuneration committee shall be either two or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

The nomination and remuneration committee shall meet at least once in a year.

Three Nomination and Remuneration Committee Meetings were held through video conference during the year. The dates on which the said meetings were held are as follows: May 27 & 28, 2020, November 4 & 5, 2020 and February 3 & 4, 2021.

The name of Chairman and Members of the Committee along with the meeting attendance is given in the below table:

Name of the Director	Status	Number of meetings during the year 2020-21		
		Held	Held after Appointment / before resignation	Attended
Prof. K. Kumar	Chairman	3	3	3
Prof. S. Rajagopalan	Member	3	3	3
Mr. Rajiv Kuchhal	Member	3	3	3

**III. Performance Evaluation Criteria for Independent Directors:**

The Performance Evaluation Criteria for Independent Directors is provided under the heading Board evaluation in the Board's Report.

**5. Remuneration of Directors:**

**I. Remuneration policy:**

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has formulated a policy, relating to the remuneration of the directors, Key Managerial Personnel, and other employees.

The remuneration policy framed by the Nomination and Remuneration Committee warrants the Committee to decide on the remuneration and other areas that fall under the terms of reference of the Committee.

The Policy also sets out the following in details:

- a) Qualifications for appointment of Directors (including Independent Directors)
- b) Positive attributes of Directors (including Independent Directors)
- c) Criteria for appointment of KMP / Senior Management
- d) Policy relating to remuneration of Whole-time Directors
- e) Policy relating to remuneration of Non-Executive / Independent Directors
- f) Policy relating to remuneration of Key Managerial Personnel and Senior Management Personnel.



## II. Details of Remuneration for the year ended March 31, 2021:

The disclosure on the remuneration of directors as required under Schedule V (C) (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are as follows:

### a. Remuneration of Non-Executive Directors:

Name of the Director	Commission (Rs. In Mn.)	Sitting Fees (Rs. In Mn.)	Total (Rs. In Mn.)
Mr. Ralph Franz Gillessen	Nil	Nil	Nil
Prof. K. Kumar	1.15	0.40	1.55
Ms. Lilian Jessie Paul	1.15	0.26	1.41
Prof. S. Rajagopalan	1.15	0.40	1.55
Mr. Rajesh Krishnamurthy *	Nil	Nil	Nil
Mr. Rajiv Kuchhal	1.15	0.24	1.39
Mr. Ulrich Bäumer	1.15	0.10	1.25
Mr. Olivier Aldrin @	Nil	Nil	Nil
Mr. Martin Hodgson #	Nil	Nil	Nil

\* Appointed with effect from September 1, 2020.

@ Resigned with effect from July 15, 2020.

# Resigned with effect from March 31, 2021.

### b. Criteria of making payments to Non-Executive Directors:

The criteria of making payments to Non-Executive Directors is provided under Item No.28 of the Board's Report.

### c. Shares and Stock option details:

Details of Shares and Stock option held by Non-Executive Directors as on March 31, 2021 are as under:

Sl.No	Name	Shares Held	Stock Option
1	Prof. K. Kumar	11,000	Nil
2	Prof. S. Rajagopalan	1,000	Nil
3	Mr. Rajiv Kuchhal	58,855	Nil
	<b>TOTAL</b>	<b>70,855</b>	<b>Nil</b>

The options were issued with a graded vesting over a period of 3 years and exercisable over a period of 5 years from the date of vesting and the same were exercised by the Independent Directors.

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the director, except receiving sitting fee for attending meetings and commission.

### d. Remuneration of Executive Director:

Compensation to Mr. Balaji Viswanathan, Managing Director & CEO, is paid as per the Service Agreement entered with him subject to the limits specified as per the provisions of the Companies Act, 2013.

<b>Amount in Rs. Mn.</b>		
<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Mr. Balaji Viswanathan, MD &amp; CEO FY - 2020-21</b>
1	Gross Salary	14.65
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
5	Others (Incentives) *	2.82
	<b>Total</b>	<b>17.47</b>

\*Includes provision made in the books for which payment will be made during financial year 2021-22.

Other Incentives as mentioned in point 5 above include the performance based incentives for the financial year 2020-21. These were based on the achievement of a set of parameters - both quantitative as well as qualitative - as framed by the Nomination and Remuneration Committee and decided by the Board of Directors of the Company from time to time.

The agreement with the Managing Director & CEO has been entered into for a period of 3 years, effective from the date of appointment. Further, either party to the agreement is entitled to terminate the Agreement by giving not less than six months' notice in writing to the other party or by prior approval of the Board of Directors. The Managing Director & CEO is entitled for severance pay subject to the provisions contained in Section 202 of the Companies Act, 2013.

#### **6. Stakeholders' Relationship Committee:**

- a) The Committee has been formed to look into and 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.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) 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.
- d) 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.

Four Stakeholders' Relationship Committee Meetings were held through video conference during the year. The dates on which the said meetings were held are as follows: May 27, 2020, August 19, 2020, November 4, 2020 and February 3, 2021.

The Committee consists of three Independent Directors. The Chairman of the Committee is an Independent & Non-Executive Director.

The composition of the Stakeholders' Relationship Committee along with the meeting attendance is given in the below table:

Name of the Director	Status	Number of meetings during the year 2020-21	
		Held	Attended
Prof. S. Rajagopalan	Chairman	4	4
Prof. K. Kumar	Member	4	4
Ms. Lilian Jessie Paul	Member	4	4

The Chairman of the Stakeholders' Relationship Committee was present at the 22<sup>nd</sup> Annual General Meeting to answer the Shareholders' queries.

Mr. S. Sampath Kumar, Company Secretary was designated as the Compliance Officer of the Company in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The status of investor complaints received during the year is as follows:

Number of Complaints received during the year	NIL
Number of Complaints resolved during the year	NIL
Number of Complaints not solved to the satisfaction of Shareholders	NIL
Number of Complaints pending as on March 31, 2021	NIL

## 7. Corporate Social Responsibility Committee:

The Committee has been formed to formulate and recommend to the Board, a Corporate Social Responsibility Policy. The Committee shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. It will also recommend the amount of expenditure to be incurred on the activities referred above and monitor the Corporate Social Responsibility Policy of the Company from time to time.

Four Corporate Social Responsibility Committee Meetings were held during the year. The meetings were held on April 13, 2020, July 21, 2020, October 14, 2020 and January 22, 2021.

The Committee consists of three Independent Directors. The Chairman of the Committee is Independent & Non-Executive Director. The composition of the Corporate Social Responsibility Committee along with the meeting attendance is given in the below table:

Name of the Director	Status	Number of meetings during the year 2020-21	
		Held	Attended
Prof. S. Rajagopalan	Chairman	4	4
Prof. K. Kumar	Member	4	4
Ms. Lilian Jessie Paul	Member	4	4

## 8. Independent Directors' Meeting:

The meeting of Independent Directors of the Company was held on February 25, 2021 without the presence of Non-Independent Directors and the members of the management. All the Independent Directors of the Company have participated in the said meeting. In the meeting, the Independent Directors have,

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;

- iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 9. General Body Meetings:

### I. Location, date and time of the last three Annual General Meetings held:

Details	Date	Time	Venue
Annual General Meeting 2017-18	July 26, 2018	3.30 p.m.	The Residency Towers, The Town Hall, 115, Sir Thyagaraya Road, T. Nagar, Chennai - 600 017.
Annual General Meeting 2018-19	July 31, 2019	3.30 p.m.	The Residency Towers, The Town Hall, 115, Sir Thyagaraya Road, T. Nagar, Chennai - 600 017.
Annual General Meeting 2019-20	August 27, 2020	3.30 p.m.	Through Video Conferencing or Other Audio-Visual Means (OAVM).

### II. Extra-ordinary General Meeting:

No Extra-ordinary General Meeting of the members was held during the year.

### III. Postal Ballot:

No Resolutions were passed by way of Postal Ballot during the year.

### IV. Special Resolutions in the last three Annual General Meetings:

#### 20<sup>th</sup> Annual General Meeting for the year 2017-18 held on July 26, 2018

Special Resolution was passed towards adoption of amended Articles of Association.

#### 21<sup>st</sup> Annual General Meeting for the year 2018-19 held on July 31, 2019

Re-appointment of Ms. Lilian Jessie Paul (DIN - 02864506) as an Independent Director (Non-Executive) of the Company.

#### 22<sup>nd</sup> Annual General Meeting for the year 2019-20 held on August 27, 2020 - NIL

## 10. Means of Communication to Shareholders:

### Quarterly results and newspapers wherein results published:

During the year, quarterly, half yearly and annual Financial Results of the Company on the Standalone and Consolidated basis were submitted to the Stock Exchanges soon after they were approved by the Board of Directors.

The Financial Results are also published in 2 leading newspapers Financial Express (English) and Makkal Kural (Tamil). Results are displayed in the Company's Website <https://expleosolutions.com>

All material information about the Company is promptly disclosed through electronic platform to the Stock Exchanges where the Company's shares are listed.

All official news releases of relevance to the investors are also made available on the Company's website. The presentations made to the analysts are also placed on the website of the Company.

## 11. General Shareholder Information:

### I. Annual General Meeting Date, Time and Venue:

23<sup>rd</sup> Annual General Meeting

Date and Time: August 26, 2021 at 3.30 pm

Venue: Through Video Conferencing or Other Audio-Visual Means (OAVM).

## II. Financial calendar:

The Financial Year of the Company is for a period of 12 months from 1<sup>st</sup> April to 31<sup>st</sup> March.

Tentative Financial Calendar for the year 2021-22:

First Quarter Results	On or before August 14, 2021
Half Yearly Results	On or before November 13, 2021
Third Quarter Results	On or before February 14, 2022
Fourth Quarter and Annual Results	On or before May 31, 2022

## III. Date of book closure:

August 20, 2021 to August 26, 2021 (both days inclusive)

## IV. Dividend payment date: NIL

## V. Listing of Stock Exchanges and Stock Code:

1,02,52,485 equity shares of Rs.10/- each is listed at:

Name of the Stock Exchange	Stock Symbol
National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051	EXPLEOSOL
BSE Limited (BSE), PJ Towers, Dalal Street, Mumbai – 400 001	533121

The Company has paid the annual listing fees for the year 2020-21 to both the above Stock Exchanges.

## VI. Market Price data:

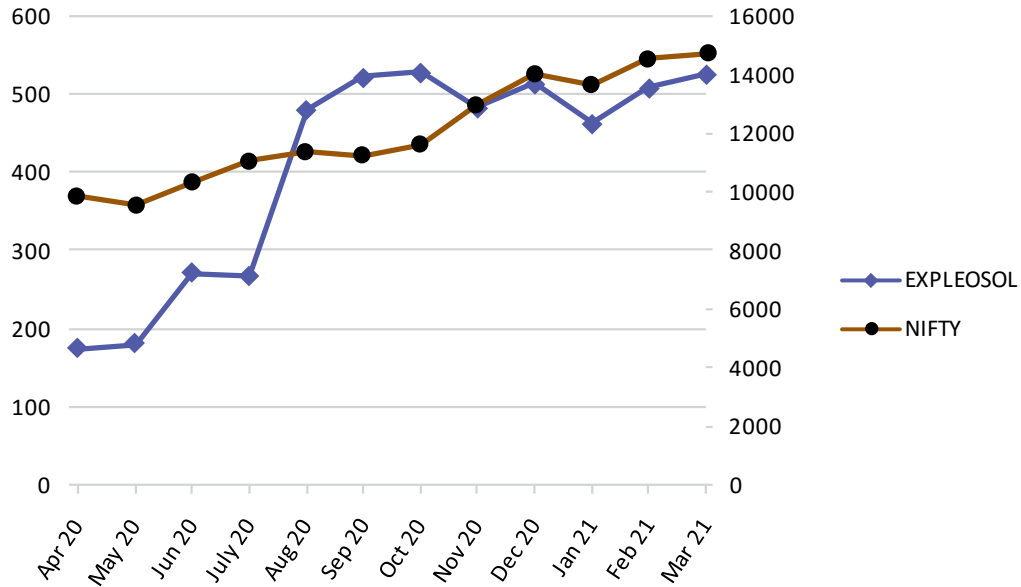
The closing market price of equity shares on March 31, 2021 (last trading day of the year) was Rs.526.85 on NSE and Rs.516.60 on BSE.

## VII. Monthly share price movement during 2020-21 at NSE & BSE:

The monthly movement of equity share prices during the year at NSE and BSE are summarized herein below:

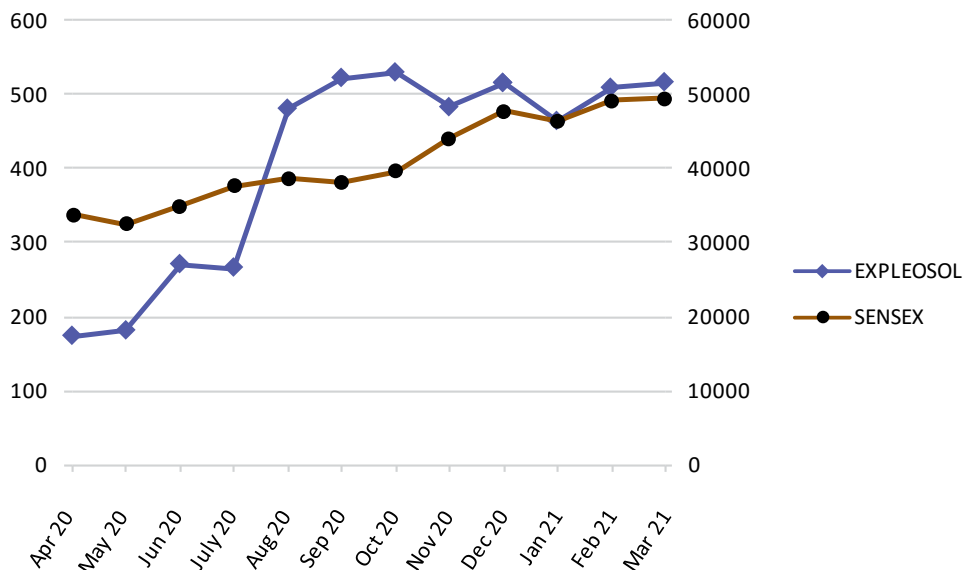
MONTH	NSE			BSE		
	HIGH (Rs.)	LOW (Rs.)	VOLUME	HIGH (Rs.)	LOW (Rs.)	VOLUME
April, 2020	181.45	141.00	112,937	181.90	142.25	12,151
May, 2020	183.50	149.00	157,999	181.50	147.65	12,327
June, 2020	298.85	190.15	450,914	296.00	190.35	58,821
July, 2020	303.45	261.55	396,742	302.95	262.00	30,342
August, 2020	534.80	264.90	838,322	531.95	262.20	88,539
September, 2020	567.70	450.30	481,791	554.90	443.00	61,339
October, 2020	642.40	492.00	1,210,867	642.65	493.05	108,330
November, 2020	575.00	452.55	738,295	575.00	459.65	78,120
December, 2020	562.70	442.30	831,543	562.00	442.95	106,914
January, 2021	580.00	455.00	652,339	580.00	456.05	97,448
February, 2021	544.90	446.95	677,493	543.10	450.00	78,863
March, 2021	562.00	483.75	590,270	562.65	484.00	66,780
<b>TOTAL</b>			<b>7,139,512</b>			<b>799,974</b>

**VIII. The performance of the equity share price of the Company vis-à-vis the NIFTY at NSE is as under:**



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
<b>EXPLEOSOL</b>	174.85	181.10	272.05	267.50	481.15	522.60	529.00	483.55	514.45	463.10	509.05	526.85
<b>NIFTY</b>	9859.90	9580.30	10302.10	11073.45	11387.50	11247.55	11642.40	12968.95	13981.75	13634.60	14529.15	14690.70

**The performance of the equity share price of the Company vis-à-vis the SENSEX at BSE is as under:**



	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
<b>EXPLEOSOL</b>	174.00	181.30	270.85	266.20	480.85	522.40	529.85	482.90	515.65	464.25	509.10	516.60
<b>SENSEX</b>	33717.60	32424.10	34915.80	37606.90	38628.30	38067.90	39614.10	44149.70	47751.30	46285.80	49100.00	49509.20

**IX. Registrar and Share Transfer Agents:**

The Registrar & Share Transfer Agent deals with all shareholders communications regarding change of address, transfer of shares, change of mandate, demat of shares, non-receipt of dividend etc. The address of the Registrar & Share Transfer Agent is as under:-

Name and Address of Registrar and Share Transfer Agent	M/s. Cameo Corporate Services Limited Subramanian Building No.1, Club House Road Chennai 600 002
Tel	+91 044-2846 0390 / 044-4002 0700
E-mail ID	<a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a>
Website	<a href="http://www.cameoindia.com/">http://www.cameoindia.com/</a>

**X. Share transfer system:**

The shares of the Company are compulsorily traded in dematerialized form. There was no request for physical transmission or transposition during the year.

**XI. Distribution of shareholding as at March 31, 2021:**

Category (Amount based on Rs.10/- nominal value per share)	No. of Shareholders	% of Shareholders	No. of shares held	Amount (Rs.)	% of Amount
Upto 5000	13,533	92.80%	1,006,224	10,062,240	9.81%
5001 - 10000	488	3.35%	374,286	3,742,860	3.65%
10001 - 20000	277	1.90%	416,570	4,165,700	4.06%
20001 - 30000	94	0.64%	232,208	2,322,080	2.26%
30001 - 40000	44	0.30%	154,571	1,545,710	1.51%
40001 - 50000	42	0.29%	192,201	1,922,010	1.87%
50001 - 100000	55	0.38%	377,258	3,772,580	3.68%
100001 & Above	50	0.34%	7,499,167	74,991,670	73.16%
<b>Total</b>	<b>14,583</b>	<b>100.00%</b>	<b>10,252,485</b>	<b>102,524,850</b>	<b>100.00%</b>

**Shareholding Pattern as on March 31, 2021:**

Sl. No	Category	Number of Shares	% of holding
1	Promoters	5,758,804	56.17%
2	Clearing Members	30,884	0.30%
3	Bodies Corporate	748,105	7.30%
4	Non-Resident Indians	256,931	2.51%
5	Public and Others	3,457,761	33.72%
	<b>Total</b>	<b>10,252,485</b>	<b>100.00%</b>

**XII. Dematerialization of securities and liquidity:**

As on March 31, 2021, 10,252,481 shares of the Company were held in dematerialized form and 4 shares were held in physical form. The demat security (ISIN) code for the equity share is INE201K01015.

The promoter and promoter group hold their entire shareholding only in dematerialised form.

**XIII. Outstanding GDRs/ADRs/warrants/any other convertible instruments:**

The Company has not issued instruments of the captioned type.

**XIV. Foreign Exchange Risk and Hedging Activities:**

The Company does not have any policy for hedging exchange fluctuations. The Company does not hedge for any future payments / receipts in foreign currency. The Company maintains and operates Exchange Earner's Foreign Currency (EEFC) accounts to handle foreign currency transactions / exposures. Exchange differences on account of conversion of foreign currency transactions are recognized as income / expense, as the case may be, in the financial statements.

**XV. Locations:**

The Company has three Delivery Centers at Chennai and a Sales office cum Delivery Centre in Mumbai. The Company has branch offices in Belgium, Malaysia, and Philippines. The addresses of these offices are available on the Company's website.

**XVI. Details of Unpaid Dividends:**

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund (IEPF) established by the Government. During the financial year 2020-21, an amount of Rs.2,99,862/- which was lying in the Final Dividend 2012-13 account and an amount of Rs.3,38,675/- which was lying in the Interim Dividend 2013-14 account of the Company was transferred to the IEPF on completion of 7 years.

The last date for claiming unpaid dividend amount before transfer to IEPF account are as under:

Financial Year		Date of Declaration	Last date for claiming unpaid dividend
Final Dividend	2013-14	24-Jul-14	29-Aug-21
Interim Dividend	2014-15	30-Oct-14	5-Dec-21
Final Dividend	2014-15	23-Jul-15	28-Aug-22
Interim Dividend	2015-16	5-Nov-15	11-Dec-22
Final Dividend	2015-16	28-Jul-16	2-Sep-23
Interim Dividend	2016-17	20-Oct-16	25-Nov-23
Final Dividend	2016-17	27-Jul-17	01-Sep-24
Interim Dividend	2017-18	26-Oct-17	01-Dec-24
Final Dividend	2017-18	26-July -18	31-Aug-25

Individual reminders are sent to those Members whose dividends have remained unclaimed. The information on unclaimed dividend is also posted on the website of the Company.

**XVII. Address for Correspondence:**

S. Sampath Kumar,  
Company Secretary and Compliance Officer  
Expleo Solutions Limited  
6A, Sixth Floor, Prince Infocity-II



283/3, 283/4, Rajiv Gandhi Salai (OMR)

Kandanchavadi, Chennai-600 096

Telephone: +91 44 4392 3200

Fax: +91 44 4392 3258

Website: <https://expleosolutions.com> e-mail: [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com)

## **12. Other Disclosures:**

### **I. Materially Significant Related Party Transactions:**

There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large.

All transactions entered into by the Company with related parties, as defined under the Act and the Listing Regulations, during the financial year 2020-21 were in the ordinary course of business, on arm's length pricing basis, and do not attract the provisions of Section 188 of the Act. The necessary disclosures as required under the Ind AS have been made in the Financial Statements. The Board approved policy on materiality of related party transactions and on dealing with related party transactions is disclosed on the website of the Company at <https://expleogroup.com/policy-materiality-of-related-party-transactions/>.

II. There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by Securities Exchange Board of India (SEBI), Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

### **III. Whistle Blower Policy:**

The Company has formulated and adopted a Whistle Blower policy. No employee has been denied access to the Audit Committee. The details of establishment of Whistle Blower Policy is posted on the Company's website. The web link for the same is <https://expleogroup.com/wp-content/uploads/2020/09/Whistle-Blower-Policy.pdf>

### **IV. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all mandatory requirements laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable. Compliance with non-mandatory requirements is disclosed at appropriate places.

### **V. Policy for determining Material Subsidiary:**

The policy for determining Material Subsidiary of the Company is uploaded on the Company's website. The web link for the same is <https://expleogroup.com/policy-determining-material-subsidiaries/>.

### **VI. Policy on dealing with Related Party Transactions:**

The policy on dealing with Related Party Transactions of the Company is uploaded on the Company's website.

The web link for the same is <https://expleogroup.com/policy-materiality-of-related-party-transactions/>.

### **VII. 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 off during the financial year -	Nil
c. number of complaints pending as at end of the financial year -	Nil

**VIII. Disclosures with respect to demat suspense account / unclaimed suspense account:** Nil.

**IX. Compliances under SEBI (LODR) Regulations:**

The Company regularly complies with the requirements as stipulated under SEBI (LODR) Regulations. The information, certificates, and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges within the prescribed timeframe.

The total fees for all the 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 is Rs.3.32 Mn.

A certificate from a company secretary in practice, stating that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board or Ministry of Corporate Affairs or any such statutory authority is annexed herewith.

The Company has also complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations. Further, the Company has also adopted voluntary requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations relating to the "Separate posts of Chairperson and Chief Executive Officer".

**X. Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

**i. Reporting of Internal Auditor.**

The internal auditor may report directly to the Audit Committee.

**ii. No Modified opinion(s) in audit report**

The auditors' report on the Ind AS Standalone & Consolidated financial statements of the Company are unmodified.

**XI. CEO and CFO Certification:**

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have certified the annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified the quarterly financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

The annual certificate given by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) is given below followed by the certificate as per Regulation 17(8).

**XII. Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations:**

The Company has complied with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the Stock Exchange within fifteen (15) days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the website of the Company.

Compliance to the Conditions of Corporate Governance has also been certified by the Statutory Auditors of the Company. The said certificate is attached with this report and will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

## **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of**

**Expleo Solutions Limited**

1. This certificate is issued with regard to compliance of conditions of Corporate Governance by Expleo Solutions Limited ("the Company") for the year ended March 31, 2021, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), pursuant to the Listing Agreement of the Company with the Stock Exchanges.

### **Management's Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management, including preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### **Auditor's Responsibility**

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable during the year ended March 31, 2021.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

9. This certificate has been issued at the request of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

**UDIN : 21127355AAAAEM7182**

**Place:** Mumbai

**Date:** May 20, 2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members**

**Expleo Solutions Limited**

6A, Sixth Floor, Prince Infocity II,  
No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR),  
Kandanchavadi, Chennai- 600096, Tamil Nadu.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Expleo Solutions Limited** having CIN L64202TN1998PLC066604 and having registered office at 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai-600096, Tamil Nadu (hereinafter referred to as '**the Company**'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in/>) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No	DIN	Name of Director	Date of appointment	Date of re-appointment
1	06771242	Mr. Balaji Viswanathan	01/09/2018	-
2	02343860	Mr. Kumar Kothandaraman	17/09/2008	01/04/2019
3	02864506	Ms. Lilian Jessie Paul	30/10/2014	30/10/2019
4	08288884	Mr. Rajesh Krishnamurthy	01/09/2020	-
5	02257381	Mr. Rajiv Kuchhal	21/09/2011	01/04/2019
6	05184138	Mr. Ralph Gillessen	09/08/2018	-
7	01584674	Mr. Santhanagopalan Rajagopalan	17/09/2008	01/04/2019
8	06763831	Mr. Ulrich Josef Paul Baumer	27/12/2013	01/04/2019

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification registers, records and disclosures. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M. Alagar & Associates**  
**Practising Company Secretaries**

**M. Alagar**

Managing Partner

FCS No. 7488/CoP No. 8196

UDIN: F007488C000337202

**Place:** Chennai

**Date:** May 17, 2021

## CEO & CFO Certification

**We, Balaji Viswanathan, Managing Director & Chief Executive Officer and Desikan Narayanan, Chief Financial Officer, responsible for the finance function certify that:**

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
  2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Balaji Viswanathan**

Managing Director & CEO

DIN : 06771242

**Place** : Bengaluru

**Date** : May 13, 2021

**Desikan Narayanan**

Chief Financial Officer

**Place** : Chennai

**Date** : May 13, 2021

**Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct**

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Directors and Senior Management Personnel. The Code of Conduct is posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2021, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors as on March 31, 2021.

**Place:** Bengaluru

**Date :** May 20, 2021

**Balaji Viswanathan**

Managing Director and CEO

## BUSINESS RESPONSIBILITY REPORT AS ON MARCH 31, 2021

### Section A: General Information about the Company:

Sl. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L64202TN1998PLC066604
2	Name of the Company	<b>Expleo Solutions Limited</b>
3	Registered address	6A, Sixth Floor, Prince Infocity-II, 283/3, 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai-600096
4	Website	<a href="https://expleosolutions.com">https://expleosolutions.com</a>
5	E-mail ID	<a href="mailto:investor.expleosol@expleogroup.com">investor.expleosol@expleogroup.com</a>
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Software Testing Service – NIC Code 62011
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Softwareservicesinvolveprimarilydelivering software validation and verification services to the banking, financial services and insurance industry worldwide.
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	The Company undertakes business activity in 6 locations. a) There are 3 International locations. They are Belgium, Malaysia and Philippines b) There are 3 National locations. They are Chennai – Prince Info-city II, Chennai – MEPZ, Tambaram and Mumbai
10	Markets served by the Company - Local / State / National / International	National and International

### Section B: Financial details of the Company:

1	Paid-up Capital (INR)	102.52 Mn.
2	Total Turnover (INR)	3,008.94 Mn.
3	Total profit after taxes (INR)	452.55 Mn.
4	Total Spending on Corporate Social Responsibility (CSR) activities, as percentage of profit after tax (%)	INR 8.76 Mn. (1.94%)
5	List of activities in which expenditure in 4 above has been incurred	Please refer CSR Report for the year - Annexure III of Directors' Report.



**Section C: Other details:**

1	Does the Company have any Subsidiary Company / Companies?	Yes. The Company has four wholly owned subsidiaries as on March 31, 2021. (a) Expleo Solutions Pte. Ltd, Singapore (b) Expleo Solutions UK Ltd, UK (c) Expleo Solutions Inc., USA (d) Expleo Solutions FZE, UAE
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Our subsidiaries share our vision and values and are responsible for their business. They pursue responsible business practices which they believe in. The Company's responsibility, practices and reporting are focused in India.
3	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with whom the Company does business do not participate in the BR initiatives of the Company.

**Section D: BR Information**

**1. Details of Director / Directors responsible for BR:**

(a) Details of Director / Director responsible for implementation of the BR policy / policies:

Sl. No.	Particulars	Details
1	DIN Number	06771242
2	Name	Balaji Viswanathan
3	Designation	Managing Director & CEO

(b) Details of the BR head :

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Srinath P
3	Designation	Director – Enterprise Risk Management
4	Telephone Number	044 4392 3200
5	E-mail ID	<a href="mailto:Srinath.Parthasarathy@expleogroup.com">Srinath.Parthasarathy@expleogroup.com</a>

**2. Principle wise (as per NVGs) BR Policy / policies: The nine principles are as under:**

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**(a) Details of compliance (Reply in Y / N)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant relevant stakeholders?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50words)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board of Directors?#	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? ##	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? \$	Please refer note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders? \$\$	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?@	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

- \*\* The policies are framed as per the applicable law and as per ISO certification, wherever applicable, as detailed under Principle 2, point 1.
- # Wherever mandated by the applicable laws, rules and regulations, the policies have been approved by the Board. In other cases, the policy is approved by respective department heads of the Company.
- ## The implementation of the policy is being overseen by the Committee / Director / Official, wherever mandated by the applicable laws, rules, and regulations in force. In other case, the implementation is overseen by the Department heads of the Company.
- \$ The policies dealing with external stakeholders are available on the website at <https://expleogroup.com/expleo-solutions/corporate-governance/>. The policies dealing with internal stakeholders are available in a common folder and access of the same is available to all the employees of the Company.
- \$\$ Wherever applicable, the policy has been formally communicated to all relevant internal and external stakeholders from time to time.
- @ While your Company has not carried out independent audit of the policies, the policies are periodically reviewed by the Auditors of respective functions like ISO Auditors, Internal Auditors and Secretarial Auditors, etc.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**3. Governance related to BR:**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company's Business Responsibility Report is a part of the Annual Report. It will be hosted on the website of the Company at <https://expleogroup.com/expleo-solutions/financial/>. The same is also published on an annual basis.

## Section E: Principle-wise performance

### **Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

- (1) Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, the Company has a Business Conduct Guideline, a Code of Conduct and a Whistle Blower Policy that are extended to subsidiaries and branches. Further, all employees are required to abide by the above policies while dealing with suppliers and contractors.

- (2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details there of, in about 50 words or so.

As on March 31, 2021, no complaint was pending against the Company by any stakeholder. The Company has not received any complaints from the shareholders of the Company during the year.

### **Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Expleo Solutions Limited is engaged in providing technology services including Software Quality Assurance to its clients. This ensures error free software implementations and reduced go-to-market timelines. To ensure quality deliverables, Expleo has the following certifications:

- ISO 9001: 2015 – Expleo Solutions is certified for Standard on Quality Management System and has been holding the certification since 2002.
- ISO 27001: 2013 – Expleo Solutions is certified for Information Security Management system standard and has been holding the certification since 2007.
- PCI DSS – The cards division of Expleo Solutions is compliant with PCI DSS and has been holding the certification since 2010.
- SSAE 18/ISAE 3402 – Expleo Solutions is compliant with SSAE 18/ISAE 3402 and has been holding a SOC 1 - Type II report since 2013.

Being a technology solutions company, the Company's products and services do not involve social or environmental risks. Expleo has a delivery management organization which ensures that the customer interests are protected. There is also an Enterprise Risk Officer who ensures risks are maintained, monitored and managed.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Since the Company operates in Information Technology Services (IT), no products are manufactured by the Company.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Expleo Solutions Limited offers IT services and does not manufacture any products. Therefore, the Company does not use materials in any production process. However, the Company does follow sustainable sourcing practices through a Strong Business Case Model. Before sourcing any Intellectual Property Right (IPR) or IT asset, the Business Case needs to be approved by the Management. In addition, sourcing of any IT or IT enabled services/equipment is done based on a strong valuation practice.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

While the Company engages with multiple suppliers, both local and international, it has always given preference to local suppliers. Proximity to the Company's location is a significant consideration for supplier selection. In addition, wherever feasible, preference is given to MSME vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our Policy for Asset Management and Procedure for Disposal of Information and Media takes care of the disposal of computers, monitors, computer accessories, and other electronic office equipment. The Company hires specialized agencies to carry out e-waste disposal. The Company focuses on optimal use of equipment and encourages reduced use of printing paper, wherever feasible, and usage of HRD rolls across all locations.

**Principle 3: Businesses should promote the well-being of all employees.**

Sl. No.	Particulars	Details
1	Please indicate the Total number of employees.	Permanent Employees – 1,117
2	Please indicate the Total number of employees hired on temporary / contractual / casual basis.	Temporary Employees – 253 (On consolidated basis)
3	Please indicate the Number of permanent women employees.	432
4	Please indicate the Number of permanent employees with disabilities	2
5	Do you have an employee association that is recognized by management?	No
6	What percentage of your permanent employees is members of this recognized employee association?	NA

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

**Safety Training:**

(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual / Temporary / Contractual Employees available	100%
(d)	Employees with Disabilities	100%

**Skill Upgradation Training:**

The details of skill upgradation trainings are as follows:

- (a) Industry experts/stalwarts from specialized practice areas are invited for guest talks.
- Conducted Monthly “Expert Connect” sessions with industry experts training our employees.
- (b) Tie-up with a global eLearning provider to upskill high potential managers on business, technology, and creative skills.
- We have a tie up with Udemy and Vskills for Tech upskilling initiatives where all our employees regularly undergo training and certification.
- (c) Internal job transfers enable the Company to systematically identify, assess and develop talent towards readiness for specific future needs.
- Internal Job Opportunity Portal (IJOY) for Internal Job Transfer
  - International Knowledge Measurement (IKM) Assessment tool to identify the employee skill and develop talent
- (d) Select senior managers are nominated for India’s top-rated post graduate analytics program.
- The Company has not nominated Senior Managers for post-graduate analytics program in the current year.
  - However, the Bullet Proof Manager (BPM) Program for Project Managers was conducted by Crestcom.
  - We also conducted LEAP (Leadership Enhancement Action Program) for budding leaders with trainers from Instasoft.
- (e) Internal publications share insights gained from existing processes by applying analytics to deliver actionable insights.
- Internal Podcast on Yammer

- Balance Score Card (BSC): A BSC defines organisational objectives and goals under four categories - organisation, customer, financials, and internal process. The Company tracks and measures the metrics under these categories on a monthly basis.

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company services enterprise clients and operates on a B2B model. The Company always ensure to engage with stakeholders to assess their requirements and provide timely response to their needs in an effective manner. The major stakeholders, i.e. customers, shareholders, employees, business partners, suppliers and the society, are identified by the Company and serves each of their requirements.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Refer the Corporate Social Responsibility Section under Directors' Report on page 15 of this Annual Report detailing work done and impact created for the disadvantaged /vulnerable and marginalized people of the Society.

**Principle 5: Businesses should respect and promote human rights.**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Policy of the Company covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No such complaints received during the year.

**Principle 6: Business should respect, protect and make efforts to restore the environment.**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.

The Company's Guideline for Business Conduct applies to its employees, officers, probationers, trainees, interns, direct/ full time consultants, contractors, and those who have direct impact on the Company's reputation through their conduct.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

The IT Assets are sourced with Green certified & energy efficient. Our laptops, desktops and data centre equipments are purchased with USFF (Ultra Small Form Factor) which is globally agreed industry standard with low energy consumption. Energy efficient power and Cooling systems are in place which can be 96% to 99% efficiency with low power.

3. Does the Company identify and assess potential environmental risks? Y / N

Yes. The nature of the Company's business does not entail assets or processes with significant environmental footprints and hence, the Company does not have a specific process to identify environmental risks. The Company's nature of work requires us to operate on workstations and hence,

office environment and safety is paramount to us. The Company has instituted a Policy on Health and Safety to govern the same. In addition, there are ongoing initiatives on energy, water, and waste management. Active measures taken by the Company towards energy conservation and carbon footprint reduction include using technology to monitor and control the power consumption of air conditioning and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors, and motion sensors for lighting controls, etc.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Given the nature of the Company's business, this is not relevant.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.

Please refer to the Conservation of Energy Section under Directors' Report on page 13 of this Annual Report.

6. Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the waste generated by the Company is within the limits prescribed by the State Pollution Control Board.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received from CPCB / SPCB during the year.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, Expleo Solutions Limited is a member of the NASSCOM association, and our MD & CEO, Mr. Balaji Viswanathan, representing the organisation in the India Leadership Council driven by the Economic Times Group.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

No

**Principle 8: Businesses should support inclusive growth and equitable development.**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

All the initiatives under the CSR policy are taken up with an intent to create an impact on the people for whose benefit it has been undertaken. The projects are generally carried out for a minimum 3-year period with continued support from the Company.

Expleo's CSR activities are focused on education for the underprivileged and differently abled children to create a more equitable and inclusive society. The Company has set up science centres in government schools and has been promoting science education through programs like "lab on bike". The company supports high school education of the differently abled children and provides online learning to government school children beyond formal education. The CSR standing committee



members and employees regularly visit these projects to assess impact and get feedback that's invaluable in ensuring the success of the project.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSR initiatives are implemented either directly by the Company or contributes to NGO who carries the activities under Schedule VII of the CSR Rules

3. Have you done any impact assessment of your initiative?

Yes. The Company has carried out impact assessment in the year 2018-19.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects under taken?

The total amount spent on community development projects during Financial Year 2020-21 through CSR was INR 87,61,706/- (Rupees Eighty Seven Lakhs Sixty One Thousand Seven Hundred and Six Only). The details of the project undertaken are given in Annexure III of the Directors' Report on page 27 of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, periodic reports, follow-up field visits, and telephonic and email communications are regularly carried out. The Company has engaged its employees to drive and monitor the CSR activities.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

No such complaints have been received during the year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The Company is in IT Sector, primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide and hence, this is not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such cases were filed during the year.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes. the periodic consumer surveys are conducted and the rating is at Excellent.

**For and on behalf of Board of Directors of  
Expleo Solutions Limited**

**Place:** Cologne, Germany  
**Date :** May 20, 2021

**Ralph Franz Gillessen**  
Chairman & Non-Executive Director  
DIN : 05184138

## INDEPENDENT AUDITOR'S REPORT

To the Members of Expleo Solutions Limited

Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Expleo Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

	<b>Key Audit Matter Description</b>	<b>Our Response</b>
<b>1.</b>	<b>1. Revenue Recognition - Accuracy of recognition of revenue for fixed-price contracts on percentage of completion method involving critical estimates.</b>	
	The Company derives revenue from software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers include fixed-price contracts, revenue whereof is recognised on proportionate completion method on the basis of the work completed.	Our procedures included: Assessment of the appropriateness of the Company's revenue recognition policy for fixed-price contracts to ensure that it meets the recognition and measurement principles enumerated in Ind AS 115 including disclosures in the financial statements. Obtained an understanding of the process and related controls for appropriate recognition of revenue. Evaluating the design and implementation and testing the operating effectiveness of such controls over the revenue recognition and measurement criteria.

	<b>Key Audit Matter Description</b>	<b>Our Response</b>
	<p>The use of proportionate completion method requires the Company to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended.</p> <p>These estimates of efforts or costs to be expended has a high inherent uncertainty which is based on the judgements made by the Management in ascertaining the costs and the efforts required to complete the remaining contractual performance obligations. In view of the same, there is a risk of revenue for the year being misstated due to incorrect recognition of accrued or deferred revenue as a result of using overstated / understated estimates of the costs and efforts to complete the remaining contractual performance obligations.</p> <p>(Refer Note 2(b)(i) and Note 2(c) to the Standalone Ind AS financial statements)</p>	<p>Tested fixed price contracts to assess whether the revenues recognised to date were appropriate; this work included reviewing stage of completion by reference to post year end data and understanding budget versus actual variances where applicable and the impact on revenue to be recognised by reference to the stage of completion.</p> <p>We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognised in the appropriate period.</p> <p>Evaluated the judgements made through discussions with project staff.</p> <p>Assessing the adequacy of the Company's disclosures about the degree of estimation involved in revenue recognition.</p>

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely the Chairman's Overview, the Performance Highlights – Decade at a glance (on a consolidated basis), the Director's Report including annexures to the Director's Report, the Business Responsibility Report, the Management Discussion and Analysis and the Corporate Governance Report, etc., but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion of the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 37 to the Standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

**UDIN: 21127355AAAAEI9708**

**Place :** Mumbai

**Date :** May 20, 2021

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2021.

### **Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is in the business of rendering software testing service and does not have any inventory and hence the provisions of paragraph 3 (ii) of the Order are not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clauses (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Act in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the persons covered under Section 185 and Section 186 of the Act or given guarantees or granted securities under Section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
- vi. According to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Records and Audit) Rules, 2014.
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax (GST) and any other statutory dues with the appropriate authorities, wherever applicable.

We have been informed that there are no undisputed dues which have remained outstanding as at March 31, 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us there are no dues outstanding of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax and Goods and Service Tax on account of any dispute other than the following:

<b>Sr. No.</b>	<b>Name of the statute</b>	<b>Amount (Rs. in million)</b>	<b>Financial Year (F.Y.) to which the amount relates</b>	<b>Forum where Dispute is Pending</b>
1.	Income Tax Act, 1961	19.33	2008-09	Income Tax Appellate Tribunal
2.	Income Tax Act, 1961	47.04	2009-10	Commissioner of Income Tax (Appeals)
3.	Income Tax Act, 1961	5.04	2011-12	Income Tax Appellate Tribunal
4.	Income Tax Act, 1961	1.57	2012-13	Income Tax Appellate Tribunal
5.	Income Tax Act, 1961	5.70	2013-14	Deputy Commissioner Income Tax
6.	Income Tax Act, 1961	9.67	2014-15	Commissioner of Income Tax (Appeals)
7.	Income Tax Act, 1961	1.70	2015-16	Commissioner of Income Tax (Appeals)
8.	Income Tax Act, 1961	2.85	2016-17	Commissioner of Income Tax (Appeals)
9.	Income Tax Act, 1961	0.55	2017-18	Commissioner of Income Tax
10.	Finance Act, 1994	633.58	2011-12 to 2015-16	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)
11.	Finance Act, 1994	118.50	April 2016 to June 2017	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)

- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company does not have loans or borrowings from financial institutions, banks, government or debenture holders.
- ix. According to the information and explanations given to us, the Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor taken any term loans during the year.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, hence the provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence the provisions of section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3(xvi) of the Order are not applicable.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

**UDIN: 21127355AAAAEI9708**

**Place :** Mumbai

**Date :** May 20, 2021

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Paragraph 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Ind AS financial statements for the year ended March 31, 2021.

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls with reference to financial statements of Expleo Solutions Limited ("the Company") as of March 31, 2021, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and

that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

**UDIN: 21127355AAAAEI9708**

**Place :** Mumbai

**Date :** May 20, 2021

## Standalone Balance Sheet as at March 31, 2021

Rs. In Millions

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	246.72	259.43
Intangible Assets	3	0.03	0.34
<b>Financial Assets</b>			
(i) Investments in Subsidiaries	4	40.15	40.15
(ii) Loans	5	18.74	17.81
(iii) Other Non-Current Financial Assets	6	0.46	-
Deferred Tax Assets	7	16.45	13.82
Income Tax Assets (Net)	8	1.35	1.34
Other Non-Current Assets	9	98.05	71.75
<b>Total Non-Current Assets</b>		<b>421.95</b>	<b>404.64</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(i) Trade Receivables	10	722.31	644.84
(ii) Cash and Cash Equivalents	11	683.66	617.38
(iii) Bank Balances other than (ii) above	12	327.80	82.55
(iv) Loans	13	0.53	4.04
(v) Other Current Financial Assets	14	91.42	58.88
Other Current Assets	15	34.25	22.76
<b>Total Current Assets</b>		<b>1,859.97</b>	<b>1,430.45</b>
<b>TOTAL ASSETS</b>		<b>2,281.92</b>	<b>1,835.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	16	102.52	102.52
Other Equity	17	1,497.08	1,050.00
<b>Total Equity</b>		<b>1,599.60</b>	<b>1,152.52</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Other Non Current Financial Liabilities	18	50.94	65.38
Provisions	19	17.75	10.96
<b>Total Non-Current Liabilities</b>		<b>68.69</b>	<b>76.34</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	38	0.63	3.96
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		226.01	291.72
(ii) Other Current Financial Liabilities	20	273.39	211.55
Other Current Liabilities	21	50.47	45.22
Provisions	22	5.98	3.49
Current Tax Liabilities (Net)	23	57.15	50.29
<b>Total Current Liabilities</b>		<b>613.63</b>	<b>606.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,281.92</b>	<b>1,835.09</b>
<b>Significant Accounting Policies</b>	2		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our Report of even date.

Signatures to the Standalone Balance Sheet and Notes to Standalone  
Financial Statements

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104607W/W100166**

**For and on behalf of the Board**

**FARHAD M. BHESANIA**

Partner

Membership Number 127355

Place : Mumbai, India  
Date : May 20, 2021

**RALPH FRANZ  
GILLESSEN**

Chairman

DIN : 05184138

Place : Cologne, Germany  
Date : May 20, 2021

**BALAJI VISWANATHAN**

Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India  
Date : May 20, 2021

**DESIKAN NARAYANAN**

Chief Financial Officer

Place : Chennai, India  
Date : May 20, 2021

**S. SAMPATH KUMAR**

Company Secretary &  
Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India  
Date : May 20, 2021

## Standalone Statement of Profit and Loss for the year ended March 31, 2021

Particulars	Note No.	Rs. In Millions	
		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>INCOME</b>			
Revenue from Operations	24	3,008.94	2,702.18
Other Income	25	49.36	59.52
<b>Total Income</b>		<b>3,058.30</b>	<b>2,761.70</b>
<b>EXPENSES</b>			
Employee Benefits Expense	26	1,265.36	1,125.91
Finance Cost	27	10.56	11.08
Depreciation and Amortisation Expense	3	57.83	58.00
Other Expenses	28	1,099.52	1,079.37
<b>Total Expenses</b>		<b>2,433.27</b>	<b>2,274.36</b>
<b>Profit Before Tax</b>		<b>625.03</b>	<b>487.34</b>
<b>Tax Expense</b>			
Current Tax	7 (b)	173.27	124.72
Deferred Tax	7 (a)	(0.79)	13.13
<b>Profit for the Year</b>		<b>452.55</b>	<b>349.49</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of the defined benefit plan		(7.31)	(6.24)
Income tax relating to items that will not be reclassified to profit or loss	7 (c)	1.84	1.57
<b>Items that will be reclassified to profit or loss</b>			
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income for the Year</b>		<b>447.08</b>	<b>344.82</b>
<b>Earnings per Equity Share (Face value Rs.10/- per share)</b>			
Basic (Rs.)	29	44.14	33.73
Diluted (Rs.)	29	44.14	33.73
<b>Significant Accounting Policies</b>	2		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our Report of even date

Signatures to the Standalone Statement of Profit & Loss and Notes to Standalone Financial Statements

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104607W/W100166**

**For and on behalf of the Board**

**FARHAD M. BHESANIA**

Partner

Membership Number 127355

Place : Mumbai, India

Date : May 20, 2021

**RALPH FRANZ  
GILLESSEN**

Chairman

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

**BALAJI VISWANATHAN**

Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

**DESIKAN NARAYANAN**

Chief Financial Officer

Place : Chennai, India

Date : May 20, 2021

**S. SAMPATH KUMAR**

Company Secretary &  
Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021

## Standalone Statement of Changes In Equity for the year ended March 31, 2021

### (a) Equity Share Capital

Rs. In Millions

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
107.13	(4.61)	102.52

Rs. In Millions

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
102.52	-	102.52

### (b) Other Equity

Rs. In Millions

Particulars	Reserves and Surplus					Total
	Capital Redemption Reserve	Securities Premium	Employee Stock Compensation Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2019</b>	-	193.53	1.31	212.09	554.76	961.69
Profit for the year	-	-	-	-	349.49	349.49
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	-	(4.67)	(4.67)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	344.82	344.82
Transfer to General Reserve	-	-	-	34.00	(34.00)	-
Expenses for buy back of equity shares	-	-	-	-	(7.62)	(7.62)
Transfer to Capital redemption reserve	4.61	-	-	-	(4.61)	-
Reduction of Share capital on buy back	-	(193.53)	-	-	(55.36)	(248.89)
<b>Balance as at March 31, 2020</b>	4.61	-	1.31	246.09	797.99	1,050.00
Profit for the year	-	-	-	-	452.55	452.55
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	-	(5.47)	(5.47)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	447.08	447.08
Transfer to General Reserve	-	-	-	-	-	-
Reduction of Share capital on buy back	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	4.61	-	1.31	246.09	1,245.07	1,497.08

As per our Report of even date

Signatures to the Standalone Statement of Changes in Equity and Notes to Standalone Financial Statements

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104607W/W100166**

**For and on behalf of the Board**

**FARHAD M. BHESANIA**

Partner

Membership Number 127355

Place : Mumbai, India

Date : May 20, 2021

**RALPH FRANZ GILLESSEN**

Chairman

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

**BALAJI VISWANATHAN**

Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

**DESIKAN NARAYANAN**

Chief Financial Officer

Place : Chennai, India

Date : May 20, 2021

**S. SAMPATH KUMAR**

Company Secretary & Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021

## Standalone Statement of Cash Flows for the year ended March 31, 2021

Rs. In Millions

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>625.03</b>	<b>487.34</b>
<b>Adjustment for:</b>		
Depreciation and Amortization Expense	57.83	58.00
Profit on sale of Property, Plant and Equipment	(0.09)	(0.23)
Unrealized forex exchange loss/(gain) (Net)	(13.11)	(34.69)
Interest income	(11.97)	(14.10)
Finance cost	9.50	10.60
Reversal of credit loss	-	(0.32)
Unwinding of discount on security deposits	(0.92)	(0.85)
<b>Operating profit before working capital changes</b>	<b>666.27</b>	<b>505.75</b>
<b>Adjustment for:</b>		
(Increase) in Trade Receivables	(49.27)	(328.57)
Decrease in Loans	3.42	9.85
(Increase) in Other Current Financial Assets	(30.93)	(0.72)
(Increase)/ Decrease in Other Current Assets	(12.91)	1.76
Decrease/(Increase) in Other Non-Current Assets	1.60	(3.23)
(Decrease)/ Increase in Trade Payables	(91.36)	111.38
Increase/ (Decrease) in Other Current Financial Liabilities	57.90	(40.87)
Increase/ (Decrease) in Other Current Liabilities	5.27	3.47
Increase in Provisions	9.28	4.26
<b>Cash generated from operations</b>	<b>559.27</b>	<b>263.08</b>
Direct taxes paid (net of refunds)	(194.34)	(121.84)
<b>Net cash flow from operating activities (A)</b>	<b>364.93</b>	<b>141.24</b>
<b>B. Cash flow from investing activities</b>		
Investment in bank deposits having maturity greater than 3 months	(752.92)	(77.91)
Proceeds from maturity of Fixed Deposits	506.55	2.41
Payments of unpaid dividend from Earmarked Accounts	0.66	1.01
Payments for purchase of Property, Plant and Equipment and Intangible Assets	(44.81)	(23.27)
Proceeds from sale of Property, Plant and Equipment	0.09	0.23
Interest received on deposit with banks	10.37	13.44
<b>Net cash flow (used in)/from investing activities (B)</b>	<b>(280.06)</b>	<b>(84.09)</b>
<b>C. Cash flow from financing activities</b>		
Lease liability paid	(28.25)	(27.76)
Buy back of equity shares	-	(253.49)
Expenses for Buy back of equity shares	-	(7.62)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(28.25)</b>	<b>(288.87)</b>
<b>Net Increase / (Decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>56.62</b>	<b>(231.72)</b>
Effect of changes in exchange rate on cash and cash equivalents	9.66	17.45
Cash & cash equivalents at the beginning of the year	617.38	831.65
<b>Cash and cash equivalents at the end of the year (Refer Note 10)</b>	<b>683.66</b>	<b>617.38</b>

Note: 1. The above Statement of Cash Flows includes Rs.8.76 Million spent (Previous Year: Rs.7.83 Million) towards Corporate Social Responsibility (CSR) Activities (Refer Note 41).

2. The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 "Statement of Cash Flows".

3. The accompanying notes form an integral part of the Standalone Financial Statements.

As per our Report of even date.

**For KALYANIWALLA & MISTRY LLP**      **For and on behalf of the Board**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104607W/W100166**

**FARHAD M. BHESANIA**

Partner

Membership Number 127355

Place : Mumbai, India

Date : May 20, 2021

**RALPH FRANZ  
GILLESSEN**

Chairman

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

**BALAJI VISWANATHAN**

Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

**DESIKAN NARAYANAN**

Chief Financial Officer

Place : Chennai, India

Date : May 20, 2021

**S. SAMPATH KUMAR**

Company Secretary &  
Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note: 1

#### Company Overview:

Expleo Solutions Limited (“Expleo Solutions” or “the Company”), incorporated on June 8, 1998 as a private limited company was converted into a public limited company with effect from August 19, 2008. The Company made its Initial Public Offering (IPO) of its Equity Shares on September 24, 2009 (issue open date) and shares under IPO were allotted on October 14, 2009. The Company’s shares were listed on the National Stock Exchange and Bombay Stock Exchange with effect from October 26, 2009.

The Company is a subsidiary of Expleo Technology Germany GmbH.

The Company is an India based software service provider primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. The Company has invested in four wholly owned subsidiaries in Singapore, USA, UK and UAE for market development and service delivery in the respective regions.

The Financial Statements of the Company for year ended March 31, 2021 were authorized for issue in accordance with a resolution of the Board of Directors on May 20, 2021.

### Note: 2

#### Significant Accounting Policies:

##### a) Basis of preparation of financial statements:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“the Act”), the Companies Indian Accounting Standards Rules, 2015, as amended, and other applicable provisions of the Act.

##### (i) Basis of presentation of financial statements:

The Standalone Balance Sheet, Standalone Statement of Profit and Loss and the Standalone Statement of Changes in Equity have been prepared and presented in the format prescribed in the Division II of Schedule III to the Companies

Act, 2013. The Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 ‘Statement of Cash Flows’. The disclosure requirements with respect to items of the Standalone Balance Sheet and the Standalone Statement of Profit and Loss are presented by way of notes forming part of the Standalone Financial Statements.

The Company has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current.

##### (ii) Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Receivables and other financial assets, the Company has considered internal and external information upto the date of approval of these financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

##### iii) Basis of Measurement:

These Standalone Ind AS Financial Statements have been prepared based on accrual and going concern principles following the historical cost convention except for the following financial assets and liabilities which have been measured at fair value:

- a. Certain financial assets and liabilities measured at fair value
- b. Defined benefit plans - plan assets and share based payments measured at fair value.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

The Standalone Financial Statements include figures pertaining to Head office and Branches/Places of Business located at Madras Export Processing Zone - Chennai, Belgium, Phillipines and Malaysia. The Australia branch had no transactions and was closed during the previous year and the Company has opened a branch in Phillipines during the previous year.

### b) Critical Accounting Estimates:

While preparing these Ind AS compliant Standalone Financial Statements, the management has made certain estimates and assumptions that require subjective & complex judgments. These judgments affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized prospectively.

Judgments, estimates and assumptions are required for:

#### i) Revenue Recognition:

##### Revenue from Contracts with Customers:

The Company uses percentage of completion method for its fixed-bid contracts. The use of percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

#### ii) Determination of the estimated useful lives and residual values of tangible assets:

Useful lives of tangible assets are based on the life prescribed in the Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management's technical evaluation taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacements. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of residual value of the asset is based on the management's judgement about the condition of such asset at the point of sale of asset.

#### iii) Recognition and measurement of defined benefit obligation:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, attrition rate and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

#### iv) Recognition of deferred tax assets:

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference, depreciation carry forwards and unused tax credits could be utilised.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### v) Leave Encashment:

The Company has a policy on the compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

### vi) Income Tax:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### vii) Impairment of Investments:

The Company reviews its carrying value of investments in subsidiaries at cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### viii) Expected credit losses on financial assets:

On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

### ix) Provisions and Contingent Liabilities:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

### x) Discounting of long term financial assets/liabilities:

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/liabilities which

are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

### c) Revenue Recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The significant accounting policies related to revenue recognition are as under:

#### Software service income:

The Company has applied the guidance in Ind AS 115 "Revenue from Contracts with Customers" by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software testing services as distinct performance obligations. The transaction price as allocated to each distinct performance obligation is defined in the contract with the customer. In case of fixed bid contracts, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses and the entity's performance creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

- i. The Company derives revenue from software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers are on a fixed-bid or a time -and- material basis.
- ii. Revenue in respect of time -and- material contracts is recognized based on time/efforts spent and/ or billed to clients as per the terms of specific contracts as there is a direct relationship between input and productivity.
- iii. Revenue from fixed-bid contract, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which the Company refers to as Unbilled Revenue) while invoicing in excess of revenues are classified as contract liabilities (which the Company refers to as Unearned Revenue).

The billing schedules agreed with customers include periodic performance based payments and /or milestone based progress payments. Invoices are payable within contractually agreed credit period.

- iv. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.
- v. Revenue includes reimbursement of expenses, wherever billed, as per the terms of the contracts.
- vi. Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

- vii. The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

- viii. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

### **d) Interest Income:**

Interest Income is recognised using the effective interest rate method.

### **e) Dividend Income:**

Dividend income is recognized when the right to receive payment is established.

### **f) Other Income:**

Other Income is recognized when the right to receive is established.

### **g) Government Grants:**

Grants from the government are recognised when there is reasonable assurance that:

- (i) the Company will comply with the conditions attached to them; and
- (ii) the grant will be received.

### **h) Property, Plant and Equipment:**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing Costs relating to acquisition of qualifying assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on assets is provided on the straight line method on the basis of useful life which is equal to or lower than the useful life prescribed in Schedule II of the Companies Act, 2013 for all the assets. The useful life is determined on the management's technical evaluation.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

Asset description	Useful life (in years)
Building	20 years
Plant and equipment	3 years
Computer equipment	3 years
Furniture and fittings	3 years
Office Equipment	3 years
Vehicles	4 years
Temporary Partitions	Fully Depreciated
Leasehold Rights and Improvements	Tenure of lease period or 10 years whichever is less
Residual Value is considered to be NIL.	

In the view of the management, property, plant and equipment individually costing Rs.5,000/- or less are depreciated in full in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### i) Intangible Assets:

Intangible Assets are stated at costs less accumulated amortization and impairment losses if any. Intangible Assets are amortized

over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. If the estimated useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss, when the asset is derecognized.

Amortization rates currently applied are as follows:

Asset description	Useful life (in Years)
Intangible Assets - Computer Software	3 years
Intangible Assets - Software tools	5 years
Residual value is considered to be NIL.	

In the view of the management, intangible assets individually costing Rs.5,000/- or less have a useful life of one year and are hence fully amortised in the year of acquisition.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

### j) Financial Instruments:

#### (i) Initial Recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### **(ii) Subsequent Measurement:**

#### **a) Non-derivative financial instruments:**

##### **(i) Financial instruments measured at amortized cost:**

A financial instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The computation of amortized cost is done using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

##### **(ii) Financial Assets at fair value through Other Comprehensive Income:**

A financial instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent

changes in fair value are recognized in Other Comprehensive Income.

##### **(iii) Financial Assets at fair value through profit and loss:**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

##### **(iv) Financial Liabilities:**

Financial Liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **(v) Investments in subsidiaries:**

Investment in subsidiaries is carried at cost in the separate financial statements.

#### **b) Share Capital:**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary equity shares are recognized as a deduction from equity, net of any tax effects.

##### **c) Derivatives:**

Derivatives include foreign currency forward contracts. It is measured at fair value. Fair value of foreign currency forward contracts are determined using the fair value reports provided by the respective banks.

##### **(iii) Derecognition of financial instruments:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

##### **(iv) Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### k) Impairment:

#### (i) Financial Assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

#### (ii) Non-financial assets:

##### Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are required to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount

that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### l) Fair value of financial instruments:

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to Note 31 in the Financial Statements for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### m) Provisions and Contingencies:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

#### Onerous Contracts:

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent Liabilities are disclosed in the notes to accounts. A contingent liability is a possible obligation that arises due to past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but their existence is disclosed in the financial statements.

### n) Foreign Currency:

#### Functional Currency:

The functional currency of the Company is the Indian rupee. These Standalone Financial Statements are presented in Indian rupees.

#### Transactions and Translations:

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which transaction is settled. Exchange differences on account of conversion of foreign operations are also recognized as income or as expense in the year in which they arise. Revenue and expense items pertaining to foreign operations denominated in foreign currencies are translated into the relevant functional currencies using the monthly weighted average exchange rate of the respective currencies. The gains or losses resulting from such transactions are included in exchange loss/ gain under the head "Other Expenses" or under the head "Other Income" respectively in the Statement of Profit and Loss.

### o) Earnings per share:

Basic earnings per equity share are computed by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed by dividing the

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### p) Income taxes:

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss for items recognised in the Statement of Profit and Loss. Income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in Other Comprehensive Income (OCI) or in Equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

#### Current Tax:

Current income tax for current and prior periods (including Minimum Alternate Tax (MAT)) is recognized at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred Tax:

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit and 10AA (SEZ deduction) and other applicable deductions as prescribed in the said Section 115BAA for the current year. The Company is in the 11th year of Tax Holiday benefit u/s 10AA (SEZ Benefit) in the current year. The Company had already claimed the deductions towards 100% of the profits from the SEZ unit for the first 5 years and 50% of the profits from the SEZ unit for the next 5 years as provided under the Income Tax Act, 1961, until the previous year.

### q) Employee Benefits:

#### (i) Short term employee benefits:

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Leave Encashment:

The Company pays leave encashment on short term basis for Onsite employees for the period of leave they are entitled to during their onsite stay.

### (ii) Post Employment obligations:

#### (a) Defined contribution plan:

Employee benefits in the form of Provident Fund/Social Security payments are defined contribution schemes and contributions made are charged to the Statement of Profit and Loss for the year. The Company has no further obligations under these plans beyond its periodic contributions. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

#### (b) Defined benefit plan:

##### Gratuity:

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering all its eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liability with regard to the gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/

(asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

### (iii) Long Term Employee Benefits:

The Company's net obligation in respect of long term employee benefits for offshore employees, being long term compensated absences, is the amount of future benefits that employee have earned in return for the service in the current and prior periods. The liability is determined by an independent actuary, using Projected Unit Credit Method. Actuarial gains and losses are recognised immediately as income or expense in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### r) Share based compensation:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102 'Share-Based Payment'. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

### s) Statement of Cash Flows:

The Statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

Cash and Cash Equivalents in the Statement of Cash Flows comprise cash at bank and in hand and fixed deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### t) Dividends:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### u) Lease:

#### Where the Company is a lessee:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively restated. The effect of adoption of Ind AS 116 was insignificant.

On transition, the Company has recognised new assets and liabilities for its operating leases of premises.

- i) Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 1, 2019.
- (ii) Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- (iii) The nature of expenses related to those leases changed from lease rent in previous periods to
  - (a) amortization change for the right-to-use asset, and
  - (b) interest accrued on lease liability.
- (iv) The Company used a practical expedient when applying Ind AS 116. It did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The lease payments associated with these are recognised as expenses on a straight line basis over the lease term.

### v) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided

to the Chief Operating Decision Maker. The Company's operations predominantly relate to software validation and verification services relating to banking and financial services and insurance industry and accordingly, this is the only primary reportable business segment. The segment sales information is provided on a geographical basis classified as India and the rest of the world.

### w) Recent accounting pronouncements - Standards issued but not yet effective:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- iii) Specified format for disclosure of shareholding of promoters.
- iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

## **Notes to the Standalone Financial Statements for the year ended March 31, 2021**

### **Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to the Standalone Financial Statements as at March 31, 2021

## Note 3: Property, Plant &amp; Equipment and Intangible Assets

Particulars	GROSS BLOCK						DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 1, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	Up to March 31, 2020	For the Year	Deductions during the year	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
<b>a) Property, Plant &amp; Equipment</b>												
Buildings												
- Owned	190.70	-	-	190.70	46.46	11.64	-	58.10	132.60	144.24		
- Right of Use Assets (Refer Note 3.1)	106.18	-	-	106.18	23.24	23.24	-	46.48	59.70	82.94		
Leasehold Improvements	2.37	-	-	2.37	2.36	-	-	2.36	0.01	0.01		
Plant and Equipment	14.79	-	0.36	14.43	14.44	0.17	0.36	14.25	0.18	0.35		
Office Equipment	9.05	0.71	0.40	9.36	5.13	1.39	0.40	6.12	3.24	3.92		
Furniture and Fittings	22.82	-	-	22.82	22.51	0.15	-	22.66	0.16	0.31		
Computer Equipment	63.54	41.72	4.27	100.99	38.11	17.68	4.27	51.52	49.47	25.43		
Vehicles	3.34	-	-	3.34	1.11	0.87	-	1.98	1.36	2.23		
<b>Total Property, Plant &amp; Equipment Previous Year</b>	<b>412.79</b>	<b>42.43</b>	<b>5.03</b>	<b>450.19</b>	<b>153.36</b>	<b>55.14</b>	<b>5.03</b>	<b>203.47</b>	<b>246.72</b>	<b>259.43</b>		
<b>b) Intangible Assets</b>												
Computer Software and Tools	19.57	2.38	-	21.95	19.23	2.69	-	21.92	0.03	0.34		
<b>Total Intangible Assets Previous Year</b>	<b>19.57</b>	<b>2.38</b>	<b>-</b>	<b>21.95</b>	<b>19.23</b>	<b>2.69</b>	<b>-</b>	<b>21.92</b>	<b>0.03</b>	<b>0.34</b>		
<b>TOTAL (a + b)</b>	<b>432.36</b>	<b>44.81</b>	<b>5.03</b>	<b>472.14</b>	<b>172.59</b>	<b>57.83</b>	<b>5.03</b>	<b>225.39</b>	<b>246.75</b>	<b>259.77</b>		
<b>Total Previous Year (a + b)</b>	<b>323.61</b>	<b>129.45</b>	<b>20.70</b>	<b>432.36</b>	<b>135.29</b>	<b>58.00</b>	<b>20.70</b>	<b>172.59</b>	<b>259.77</b>			

Note 3.1: Buildings includes right-of-use assets of Rs.106.18 Million related to leased properties that do not meet the definition of investment property.

## Notes to the Standalone Financial Statements as at March 31, 2021

## Note 4: Investments in Subsidiaries

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments in Equity Instruments (Unquoted)</b>		
<b>In wholly owned subsidiaries (Fully Paid Up):</b>		
100,000 equity shares (Previous Year: 100,000) of SGD 1/- each in Expleo Solutions Pte. Ltd., Singapore	2.66	2.66
3,000 equity shares (Previous Year: 3,000) of USD 0.01/- each in Expleo Solutions Inc., USA	4.62	4.62
350,000 equity shares (Previous Year : 350,000) of GBP 1/- each of Expleo Solutions UK Ltd.	24.17	24.17
600 equity shares (Previous Year: 600) of AED 1,000/- each in Expleo Solutions FZE, UAE	8.70	8.70
<b>Total</b>	<b>40.15</b>	<b>40.15</b>
Aggregate Value of Unquoted Investments	40.15	40.15

## Note 5: Loans

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	18.74	17.81
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	-	-
Less: Allowance for Doubtful Deposits	-	-
<b>Total</b>	<b>18.74</b>	<b>17.81</b>

## Note 6: Other Non Current Financial Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, Considered good</b>		
Fixed Deposits with remaining maturity of more than 12 months (Refer Note 6.1 below)	0.46	-
<b>Total</b>	<b>0.46</b>	<b>-</b>

Note 6.1: Under lien with bank towards guarantees issued by them on behalf of the Company.

## Notes to the Standalone Financial Statements as at March 31, 2021

## Note 7: Deferred Tax Assets

## a) Movement in Deferred Tax Balances

Rs. In Millions

Particulars	Net Balance as at April 01, 2020	Movement during the year		Net balance as at March 31, 2021
		Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	
<b>Deferred Tax Assets</b>				
Property, Plant and Equipment	8.14	(2.77)	-	5.37
Employee Benefits	5.68	3.56	1.84	11.08
Allowance for expected Credit loss	-*	-	-	-*
<b>Deferred Tax Assets</b>	<b>13.82</b>	<b>0.79</b>	<b>1.84</b>	<b>16.45</b>

\* Denotes an amount less than Rs.5,000/-.

Rs. In Millions

Particulars	Net Balance as at April 01, 2019	Movement during the year		Net balance as at March 31, 2020
		Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	
<b>Deferred Tax Assets</b>				
Property, Plant and Equipment	12.00	(3.86)	-	8.14
Employee Benefits	4.39	(0.28)	1.57	5.68
Allowance for expected Credit loss	0.12	(0.12)	-	-*
Unused Tax Credits	8.87	(8.87)	-	-
<b>Deferred Tax Assets</b>	<b>25.38</b>	<b>(13.13)</b>	<b>1.57</b>	<b>13.82</b>

\*Denotes an amount less than Rs.5,000/-.

## b) Amounts recognised in Profit and Loss

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Income Tax</b>		
Current tax expense for current year	166.69	124.72
Current tax expense pertaining to previous years	6.58	(2.69)
	173.27	122.03
<b>Deferred Tax Asset (Net)</b>		
Origination and reversal of Tax on Temporary Differences	(0.79)	15.82
<b>Total Tax expense for the year</b>	<b>172.48</b>	<b>137.85</b>

## Notes to the Standalone Financial Statements as at March 31, 2021

### Note 7: Deferred Tax Assets (Contd.)

#### c) Amounts recognised in Other Comprehensive Income

Rs. In Millions

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before Tax	Tax (Expense)/ Benefit	Net of Tax	Before Tax	Tax (Expense)/ Benefit	Net of Tax
Remeasurement of Defined Benefit Liability	(7.31)	1.84	(5.47)	(6.24)	1.57	(4.67)
<b>Total</b>	<b>(7.31)</b>	<b>1.84</b>	<b>(5.47)</b>	<b>(6.24)</b>	<b>1.57</b>	<b>(4.67)</b>

#### d) Reconciliation of Income Tax expense and the accounting profit multiplied by India's tax rate

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit Before Tax</b>	<b>625.03</b>	<b>487.34</b>
Indian statutory income tax rate	25.168%	25.168%
Expected income tax expense	<b>157.31</b>	<b>122.65</b>
<b>Tax effect of adjustments to reconcile expected Income Tax Expense:</b>		
Tax Effect of Non-Deductible expenses to reported Income Tax Expense	6.43	3.20
Tax Effect of MAT Tax credit foregone on adoption of Lower Tax rate	-	8.87
Adjustments recognised in current year in relation to tax of prior years	6.58	(2.69)
Tax Effect of adoption of Low Tax Rate on Deferred Tax	-	4.76
Tax Effect of Deductible Temporary Differences	2.03	0.92
Others	0.13	0.14
<b>Total Income Tax Expense</b>	<b>172.48</b>	<b>137.85</b>

e) During the year, the Company has made an additional tax provision of Rs.6.58 Million for the FY 2009-10 and also has made a payment under protest for the FY 2009-10 amounting to Rs.27.9 Million only for S.10AA (SEZ deduction).

f) The Company offsets tax assets & liabilities if and only if it has a legally enforceable right to set off current tax assets & current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.

#### Note 8: Income Tax Assets (Net)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Tax and Tax Deducted at Source (Net)	1.35	1.34
<b>Total</b>	<b>1.35</b>	<b>1.34</b>

(Refer Note 7 for Tax Reconciliations)

## Notes to the Standalone Financial Statements as at March 31, 2021

### Note 9: Other Non Current Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	1.16	0.82
Employee Advances	1.91	3.84
Prepaid Expenses	0.05	0.06
Balance with Government authorities	98.29	70.39
Less: Provision for Balances with Government authorities	(3.36)	(3.36)
<b>Total</b>	<b>98.05</b>	<b>71.75</b>

### Note 10: Trade Receivables

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables Considered Good - Secured	-	-
Trade Receivables Considered Good - Unsecured (Refer Note 10.1 below)	722.33	644.86
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Less: Allowances for Credit Loss	(0.02)	(0.02)
<b>Total</b>	<b>722.31</b>	<b>644.84</b>

**Note 10.1:** Includes dues from a subsidiary Rs.257.37 Million (Previous Year: Rs.56.43 Million) and dues from a Private Company in which a Director of the Company is a Director Rs.0.02 Million (Previous Year: Rs.0.75 Million) (Refer Note 43).

### Note 11: Cash and Cash Equivalents

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances With Banks</b>		
in Current Accounts	653.60	512.38
in Deposit Accounts with original maturity of less than 3 months	30.06	105.00
Cash On Hand*	-	-
<b>Total</b>	<b>683.66</b>	<b>617.38</b>

**Note 11.1:** There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of the reporting year and the previous year.

\* Denotes an amount less than Rs.5,000/-.



## Notes to the Standalone Financial Statements as at March 31, 2021

### Note 12: Other Bank Balances

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances With Banks</b>		
Earmarked Balances with Banks - Unclaimed Dividend	2.26	2.92
Deposits with original maturity of more than 3 months but less than 12 months (Refer Note 12.1 below)	325.54	79.63
<b>Total</b>	<b>327.80</b>	<b>82.55</b>

**Note 12.1:** Includes deposits under lien with bank guarantee issued by the bank on behalf of the Company Rs.5.54 Million (Previous Year: Rs.3.09 Million).

**Note 12.2:** There are no repatriation restrictions with regard to Other Bank balances as at the end of the reporting year and previous year.

### Note 13: Loans (Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	0.53	4.04
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	-	-
<b>Total</b>	<b>0.53</b>	<b>4.04</b>

### Note 14: Other Current Financial Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on fixed deposits	2.36	0.76
Export incentive receivables	34.44	34.44
Unbilled Revenue	54.62	23.68
<b>Total</b>	<b>91.42</b>	<b>58.88</b>

### Note 15: Other Current Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Considered Good</b>		
Advances to Vendors	3.36	1.58
Advances to employees and others	7.35	7.85
Balances with Government Authorities	3.13	1.32
Prepaid Expenses	20.41	12.01
<b>Total</b>	<b>34.25</b>	<b>22.76</b>

## Notes to the Standalone Financial Statements as at March 31, 2021

### Note 16: Equity Share Capital

Rs. In Millions

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>a) Authorised</b>		
12,000,000 Equity Shares of Rs.10/- each	120.00	120.00
	<b>120.00</b>	<b>120.00</b>
<b>b) Issued, Subscribed and Paid Up</b>		
10,252,485 Equity Shares of Rs.10/- each (Previous Year: 10,252,485 Equity Shares of Rs.10/- each) fully paid up	102.52	102.52
<b>Total</b>	<b>102.52</b>	<b>102.52</b>

c) In the previous year, the Company bought back 460,896 Equity Shares comprising approximately 4.30% of the paid-up equity share capital of the Company.

#### d) Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. In Millions	No. of shares	Rs. In Millions
<b>Equity Shares</b>				
Outstanding at the beginning of the year	10,252,485	102.52	10,713,381	107.13
Less: Buyback of shares during the year (Refer Note 34)	-	-	460,896	4.61
<b>Outstanding at the end of the year</b>	<b>10,252,485</b>	<b>102.52</b>	<b>10,252,485</b>	<b>102.52</b>

#### e) Shareholding Information

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	No. of shares	No. of shares
<b>Equity Shares are held by</b>		
Expleo Technology Germany GmbH (Holding Company)	5,758,804	5,758,804

#### f) Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## Notes to the Standalone Financial Statements as at March 31, 2021

### Note 16: Equity Share Capital (Contd.)

#### g) Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%	No. of shares	%
<b>Equity Shares</b>				
Expleo Technology Germany GmbH (Holding Company)	5,758,804	56.17	5,758,804	56.17

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

#### h) Equity Shares Reserved for Issue Under Options

There are no equity shares reserved for issue under options.

### Note 17: Other Equity

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a) Securities Premium (Refer Note 17.1 below)</b>		
Opening Balance	-	193.53
Addition during the year	-	-
Buyback of Equity Shares during the year (Refer Note 34)	-	(193.53)
Closing Balance	-	-
<b>b) General Reserve (Refer Note 17.2 below)</b>		
Opening Balance	246.09	212.09
Addition during the year	-	34.00
Closing Balance	246.09	246.09
<b>c) Retained Earnings (Refer Note 17.3 below)</b>		
Opening Balance	797.99	554.76
Profit for the year	452.55	349.49
Transfer to General Reserve	-	(34.00)
Other Comprehensive Income	(5.47)	(4.67)
Transfer to Capital redemption reserve upon Buyback (Refer Notes 17.4 and 34)	-	(4.61)
Buyback of Equity Shares during the year (Refer Note 34)	-	(62.98)
Closing Balance	1,245.07	797.99

## Notes to the Standalone Financial Statements as at March 31, 2021

## Note 17: Other Equity (Contd.)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>d) Capital Redemption Reserve (Refer Note 17.4 below)</b>		
Opening Balance	4.61	-
Transfer from Retained Earnings upon Buyback (Refer Notes 17.4 and 34)	-	4.61
Closing Balance	4.61	4.61
<b>e) Employee Stock Compensation Reserve (Refer Note 17.5 below)</b>		
Opening Balance	1.31	1.31
Addition during the year	-	-
Closing Balance	1.31	1.31
<b>Total</b>	<b>1,497.08</b>	<b>1,050.00</b>

**Note 17.1: Securities Premium**

The Securities Premium has been created on account of premium on issue of Equity Shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013. During the previous year, an amount of Rs.193.53 Million was utilised from Securities Premium, to offset the excess of total buy-back cost of Rs.261.11 Million (including Rs.7.62 Million towards transaction cost of buy-back) over par value of shares.

**Note 17.2: General Reserve**

The Company has transferred a portion of its net profit to the General Reserve, on a voluntary basis during the previous year.

**Note 17.3: Retained Earnings**

Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders. During the previous year, an amount of Rs.59.97 Million was utilised from retained earnings, to offset the excess of total buy-back cost of Rs.261.11 Million (including Rs.7.62 Million towards transaction cost of buy-back) over par value of shares.

**Note 17.4: Capital Redemption reserve**

As per provisions of Section 69 of the Companies Act, 2013, Capital Redemption Reserve is to be created when Company purchases (buys back) its own shares out of the free reserves for an amount equal to the nominal value of shares (Share Capital extinguished) so purchased. Accordingly, during the previous year an amount of Rs.4.61 Million i.e. the Share Capital extinguished has been transferred from Retained Earnings to Capital Redemption Reserve.

**Note 17.5: Employee Stock Compensation Reserve**

The Employee Stock Compensation Reserve is used to recognise the grant date fair value of options issued under the Company's/Group's Stock Option Plan provided to employees as part of their remuneration (Refer Note 33).

## Note 18: Other Non Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liability	50.94	65.38
<b>Total</b>	<b>50.94</b>	<b>65.38</b>

## Notes to the Standalone Financial Statements as at March 31, 2021

### Note 19: Provisions (Non Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Compensated Absences	17.75	10.96
<b>Total</b>	<b>17.75</b>	<b>10.96</b>

### Note 20: Other Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend (Refer Note 20.1 below)	2.26	2.92
Employee benefits payable	100.19	73.93
Gratuity Liability	20.31	8.11
Lease Liability	14.44	18.75
Liabilities for other expenses	136.19	107.84
<b>Total</b>	<b>273.39</b>	<b>211.55</b>

**Note 20.1:** There are no amounts due for payment to the Investor Education and Protection Fund as at the end of the current year and previous year.

### Note 21: Other Current Liabilities

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	47.70	44.58
Unearned Revenue	2.77	0.64
<b>Total</b>	<b>50.47</b>	<b>45.22</b>

### Note 22: Provisions (Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits</b>		
Compensated Absences	5.98	3.49
<b>Total</b>	<b>5.98</b>	<b>3.49</b>

### Note 23: Current Tax Liabilities (Net)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Tax (Net)	57.15	50.29
<b>Total</b>	<b>57.15</b>	<b>50.29</b>

(Refer Note 7 for Tax Reconciliations)

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 24: Revenue from Operations

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from contracts with customers</b>		
Software services (Refer Note 24.1 below)	3,008.94	2,694.04
<b>Other Operating Revenues</b>		
Export Incentives (Net)	-	8.14
<b>Total</b>	<b>3,008.94</b>	<b>2,702.18</b>

#### Note 24.1: Disclosures relating to Revenue from Operations

##### a) Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers for the years ended March 31, 2021 and March 31, 2020 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of their revenues and cash flows are affected by economic factors.

##### Revenue based on contract type:

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fixed Bid	669.14	932.74
Time & Material	2,339.80	1,761.30
<b>Total</b>	<b>3,008.94</b>	<b>2,694.04</b>

The Company derives its revenue across two categories of contracts - Fixed Bid contracts and Time & Material (T&M) contracts. The Company has identified a single reportable segment namely 'Software Validation and Verification Services' as disclosed in Note 42 to the Standalone Financial Statements. The Company has disclosed revenue generated by geographical market which is provided only as per the specific requirement of Ind AS 108 for a single reportable segment. However, the Company does not assess revenue based on geography and hence there is no disaggregation of revenue disclosed based on geography.

**b)** The contract liabilities (unearned revenue) primarily relate to the advance consideration received from customers for which revenue is recognised over time. An amount of Rs.0.64 Million (Previous Year: Rs.7.40 Million) recognised in contract liabilities as at April 1, 2020 has been recognised as revenue for the year ended March 31, 2021.

**c)** There is no revenue recognised in the reporting period for performance obligations satisfied in previous periods.

##### **d) Transaction price allocated to the remaining performance obligations**

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs.94.55 Million (Previous Year: Rs.31.77 Million) which is expected to be recognised as revenue in the next year. Remaining performance obligation estimates are subject to change and are affected by several factors, including adjustments for currency.

##### **e) Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 24.1: Disclosures relating to Revenue from Operations (Contd.)

#### e) Performance obligations and remaining performance obligations (Contd.)

given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and in the case of fixed bid contracts with an original expected project duration of less than one year.

#### f) Revenue as per contracted price with the customers

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers (as per the Statement of Profit and Loss)	3,008.94	2,694.04
Add: Discounts	89.20	38.94
<b>Total</b>	<b>3,098.14</b>	<b>2,732.98</b>

### Note 25: Other Income

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income		
On Fixed deposits and others	11.97	14.10
On Other financial assets carried at amortised cost	0.91	0.85
Profit on Sale of Property, Plant & Equipment	0.09	0.23
Provision for expected credit loss written back	-	0.32
Rent Concessions	3.97	-
Net foreign exchange gain	32.29	43.97
Miscellaneous Income	0.13	0.05
<b>Total</b>	<b>49.36</b>	<b>59.52</b>

### Note 26: Employee Benefits Expense

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	1,160.48	1,026.77
Contribution to provident and other funds (Refer Note 30 (b) (i))	78.42	65.20
Gratuity expense (Refer Note 30 (b) (ii))	13.91	11.46
Staff welfare expense	12.55	22.48
<b>Total</b>	<b>1,265.36</b>	<b>1,125.91</b>

### Note 27: Finance Cost

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Income Tax	1.06	0.48
Interest on Lease liability	9.50	10.60
<b>Total</b>	<b>10.56</b>	<b>11.08</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 28: Other Expenses

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Travel and conveyance	35.85	137.10
External Consultant costs	297.99	221.24
Sales commission	0.96	0.16
Onsite service expenses	536.65	552.18
Professional fees	48.48	17.17
Software expenses	55.55	33.21
Rent expenses for Short term and low value leased assets (Refer Note 36)	3.30	3.08
Marketing and selling expenses	31.05	4.76
Repairs & maintenance		
Buildings	21.70	18.40
Plant and machinery	2.10	2.11
Others	6.68	11.87
Power and fuel	9.92	16.69
Rates and taxes	2.09	12.07
Communication expenses	4.51	8.16
Insurance	10.12	10.28
Training and recruitment	6.31	10.90
Corporate Social Responsibility Expense (Refer Note 41)	8.76	7.83
Audit fees (Refer Note 39)	3.32	2.88
Directors sitting fees	1.40	1.60
Commission to Non-Executive directors	5.75	4.50
Miscellaneous expenses	7.03	3.18
<b>Total</b>	<b>1,099.52</b>	<b>1,079.37</b>

### Note 29: Earnings Per Share

#### a) Basic Earnings Per Share

The calculation of Basic Earnings Per Share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding.

#### (i) Profit attributable to equity shareholders (basic)

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year, attributable to equity shareholders of the company	452.55	349.49
<b>Total</b>	<b>452.55</b>	<b>349.49</b>



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 29: Earnings Per Share (Contd.)

#### (ii) Weighted average number of equity shares (basic)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of equity shares at the beginning of the year	10,252,485	10,713,381
Add: Weighted average of shares issued during the year	-	-
Less: Weighted average of shares bought back during the year	-	351,339
<b>Total weighted average number of equity shares for calculating basic EPS</b>	<b>10,252,485</b>	<b>10,362,042</b>

**Earnings Per Share - Basic (in Rs.) (Face Value Rs.10/- per share)** **44.14** **33.73**

#### b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

#### (i) Profit attributable to equity shareholders (diluted)

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year, attributable to equity shareholders of the Company	452.55	349.49
<b>Total</b>	<b>452.55</b>	<b>349.49</b>

#### (ii) Weighted average number of equity shares (diluted)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of equity shares outstanding (basic)	10,252,485	10,362,042
<b>Weighted average number of equity shares for calculating diluted EPS</b>	<b>10,252,485</b>	<b>10,362,042</b>

**Earnings Per Share - Diluted (in Rs.) (Face Value Rs.10/- per share)** **44.14** **33.73**

### Note 30: Disclosure as required under Ind AS 19 - 'Employee Benefits'

#### a) Compensated Absences

The Company provides for the encashment of leave or leave with pay to offshore employees. The employees are entitled to accumulate leave subject to certain limits, for future availment/encashment. The liability is provided based on the number of days of unutilised days of leave at each Balance Sheet date on the basis of year-end actuarial valuation using projected unit credit method. The scheme is unfunded.

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Liability at the beginning of the year	14.45	10.19
Leave salary cost accounted for the year (Net)	9.28	4.26
<b>Total liability as at the end of the year</b>	<b>23.73</b>	<b>14.45</b>

**Note 30.1:** Refer Note 19 for Long term benefits and Note 22 for Short term benefits.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 30: Disclosure as required under Ind AS 19 - 'Employee Benefits' (Contd.)

#### b) Post-employment obligations

##### (i) Defined contribution plan - Provident Fund & Social Security Schemes Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution accounted for the year (includes EDLI Charges and Employer's Contribution to Employee's Pension Scheme, 1995) (Refer Note 26)	78.42	65.20
<b>Total</b>	<b>78.42</b>	<b>65.20</b>

##### (ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC) as per New Group Gratuity Cash Accumulation Plan for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority (IRDA) Regulations. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

##### Defined Benefit Plan - Gratuity Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>i) Change in Present Value of Defined Benefit Obligation</b>		
<b>Present Value of Defined Benefit Obligation at the beginning of the year</b>	94.42	86.22
Interest cost	5.57	5.53
Current service cost	13.69	11.75
Benefits paid	(7.70)	(15.88)
Actuarial (Gain)/ Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/ Loss on obligations- due to change in financial assumptions	7.39	4.05
Actuarial (Gain)/ Loss on obligations- due to change in experience	1.50	2.75
<b>Present value of obligation as at end of the year</b>	<b>114.87</b>	<b>94.42</b>

**Notes to the Standalone Financial Statements for the year ended March 31, 2021**

**Note 30: Disclosure as required under Ind AS 19 - 'Employee Benefits' (Contd.)**

**Defined Benefit Plan - Gratuity (Contd.)**

**Rs. In Millions**

<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>ii) Change in fair value of Plan Assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	86.32	84.82
Expected return on plan assets	5.35	5.82
Contributions made	9.03	11.00
Benefits paid	(7.70)	(15.88)
Return on plan assets, excluding amounts included in interest (expense)/ income	1.56	0.56
<b>Fair value of plan assets at the end of the year</b>	<b>94.56</b>	<b>86.32</b>
<b>iii) Amount recognized in the balance sheet</b>		
Present value of the obligation as at end of the year	114.87	94.42
Fair value of plan assets as at end of the year	94.56	86.32
Net obligation as at end of the year	20.31	8.10
<b>Amount recognized in the Balance Sheet</b>	20.31	8.10
Net (asset)/liability recognized - Current	20.31	8.10
Net (asset)/liability recognized - Non-current (Refer Note (i) below)	-	-
<b>iv) Expenses recognized in the Statement of Profit and Loss for the year</b>		
Current service cost	13.69	11.75
Net Interest on Net Defined benefit obligations	0.22	(0.29)
<b>Total expense included in employee benefit expenses</b>	<b>13.91</b>	<b>11.46</b>
<b>v) Recognized in Other comprehensive income for the year</b>		
Actuarial (Gain)/Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/Loss on obligations- due to change in financial assumptions	7.39	4.05
Actuarial (Gain)/Loss on obligations- due to change in experience	1.49	2.74
Remeasurement - (return)/loss on plan assets excluding amount included in net interest income	(1.57)	(0.55)
<b>Recognized in Other Comprehensive Income</b>	<b>7.31</b>	<b>6.24</b>
<b>vi) Actuarial assumptions</b>		
Discount rate - Current	5.80%	6.15%

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

## Note 30: Disclosure as required under Ind AS 19 - 'Employee Benefits' (Contd.)

<b>Defined Benefit Plan - Gratuity (Contd.)</b>		<b>Rs. In Millions</b>	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>	
Expected rate of return on plan assets	5.80%	6.15%	
Salary Escalation - Current	8.30%	7.00%	
Attrition rate	20.00%	18.00%	
<b>vii) Sensitivity Analysis</b>			
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:			
<b>Impact on defined benefit obligation</b>			
Delta effect of +0.5% Change in Rate of discounting	112.28	92.18	
Delta effect of -0.5% Change in Rate of discounting	117.58	96.78	
Delta effect of +0.5% Change in Rate of Salary Escalation	117.50	96.78	
Delta effect of -0.5% Change in Rate of Salary Escalation	112.31	92.13	
Delta effect of +0.5% Change in Rate of Employee turnover	114.48	94.23	
Delta effect of -0.5% Change in Rate of Employee turnover	115.27	94.62	
Methodology adopted for asset liability management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method	
<b>Refer Note 30 (ii) below</b>			
<b>viii) Maturity profile of defined benefit obligation</b>			
The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of gratuity is as follows:			
		<b>Rs. In Millions</b>	
<b>Projected benefits payable in future years from the date of reporting</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>	
1st Following year	19.61	14.96	
2nd Following year	17.83	14.29	
3rd Following year	16.39	13.09	
4th Following Year	14.73	11.99	
5th Following year	13.38	11.04	
Sum of years 6 to 10 years	42.80	37.40	
<b>ix) Category of Plan assets</b>			
Funds managed by the Insurer	100%	100%	
<b>x) Risk exposure</b>			
This does not apply to the Company since it invests in the traditional plan of LIC, for which the underlying assets are not known to the policy holders.			

**Note: 30.2:**

- (i) The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 30: Disclosure as required under Ind AS 19 - 'Employee Benefits' (Contd.)

**Note: 30.2: (Contd.)**

to the defined benefit plans based on short term expected pay-outs in line with the actuary's recommendations.

(ii) **Usefulness & methodology adopted for sensitivity analysis**

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not to be true on a different count. This only signifies the change in the liability if the difference between the assumed & the actual is not following the parameters of the sensitivity analysis.

### Note 31: Financial Instruments- Fair Values and Risk Management

a) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rs. In Millions								
As at March 31, 2021	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through Other Comprehensive Income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>								
Security deposits - non current	-	-	18.74	18.74	-	19.38	-	19.38
Other non-current financial assets	-	-	0.46	0.46	-	-	-	-
Trade receivables	-	-	722.31	722.31	-	-	-	-
Cash and cash equivalents	-	-	683.66	683.66	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	327.80	327.80	-	-	-	-
Security deposits - current	-	-	0.53	0.53	-	-	-	-
Interest accrued on fixed deposits	-	-	2.36	2.36	-	-	-	-
Export Incentive Receivable	-	-	34.44	34.44	-	-	-	-
Unbilled Revenue	-	-	54.62	54.62	-	-	-	-
<b>Total</b>	-	-	<b>1,844.92</b>	<b>1,844.92</b>	-	<b>19.38</b>	-	<b>19.38</b>
<b>Financial Liabilities:</b>								
Lease Liability - Non-Current	-	-	50.94	50.94	-	-	-	-
Lease Liability - Current	-	-	14.44	14.44	-	-	-	-
Trade payables	-	-	226.64	226.64	-	-	-	-
Other current financial liabilities	-	-	258.95	258.95	-	-	-	-
<b>Total</b>	-	-	<b>550.97</b>	<b>550.97</b>	-	-	-	-

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

## Note 31: Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through Other Comprehensive Income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>								
Security deposits - non current	-	-	17.81	17.81	-	18.61	-	18.61
Trade receivables	-	-	644.84	644.84	-	-	-	-
Cash and cash equivalents	-	-	617.38	617.38	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	82.55	82.55	-	-	-	-
Security deposits - current	-	-	4.04	4.04	-	-	-	-
Interest accrued on fixed deposits	-	-	0.76	0.76	-	-	-	-
Export Incentives Receivable	-	-	34.44	34.44	-	-	-	-
Unbilled Revenue	-	-	23.68	23.68	-	-	-	-
<b>Total</b>	-	-	<b>1,425.50</b>	<b>1,425.50</b>	-	<b>18.61</b>	-	<b>18.61</b>
<b>Financial Liabilities:</b>								
Lease Liability - Non Current	-	-	65.38	65.38	-	-	-	-
Lease Liability - Current	-	-	18.75	18.75	-	-	-	-
Trade payables	-	-	295.68	295.68	-	-	-	-
Other current financial liabilities	-	-	192.80	192.80	-	-	-	-
<b>Total</b>	-	-	<b>572.61</b>	<b>572.61</b>	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the current year and previous year.

#### b) Measurement of Fair Value

The Company uses Discounted Cash Flow valuation technique (in relation to Fair Value of asset measured at amortised cost) which involves determination of present value of expected receipt/payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

**Notes to the Standalone Financial Statements for the year ended March 31, 2021****Note 31: Financial Instruments- Fair Values and Risk Management (Contd.)****c) Financial Risk Management**

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit and liquidity, which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

**(i) Credit Risk**

Credit risk is the risk of financial loss arising from counterparty's failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk of existing customer is controlled by continuous monitoring of the collection trend of each customer on a periodical basis. With respect to a new customer, the Company uses external/internal sources to assess the potential customer's credit quality.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invests in Fixed deposits with banks having high credit ratings.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs.1,844.92 Million (Previous Year: Rs.1,425.50 Million) being the total of the carrying amount of loans, trade receivables, cash and cash equivalents, other balances with banks, loans and other financial assets.

**Trade Receivables**

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet Date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience adjusted for forward-looking information. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 31: Financial Instruments- Fair Values and Risk Management (Contd.)

The following table gives the details in respect of the amount and percentage of trade receivables from major customers:

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
Trade receivables from major customers	257.37	131.58
Percentage of Trade Receivables from major customers	36%	20%

The Company has computed the credit loss allowance based on the Expected Credit Loss model which excludes transactions with its wholly owned subsidiaries.

The movement in the expected credit loss allowance is as follows:

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	0.02	0.34
Impairment loss reversed	-	(0.32)
<b>Balance at end of the year</b>	<b>0.02</b>	<b>0.02</b>

#### (ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

##### a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD, EURO and GBP against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

## Note 31: Financial Instruments- Fair Values and Risk Management (Contd.)

## Exposure in Foreign Currency (FCY) - Unhedged

Particulars	FCY	March 31, 2021		March 31, 2020	
		Amount (FCY in Millions)	Amount (Rs. in Millions)	Amount (FCY in Millions)	Amount (Rs. in Millions)
Trade receivables	GBP	2.67	269.34	0.98	91.03
Trade receivables	USD	2.01	148.02	2.64	198.82
Trade receivables	EUR	2.12	182.93	2.57	213.56
Cash and Cash Equivalents	GBP	0.03	2.70	1.06	98.95
Cash and Cash Equivalents	USD	3.30	242.79	0.75	56.18
Cash and Cash Equivalents	EUR	3.60	310.11	2.59	215.26
Loans	USD	-*	0.01	-*	0.01
Other Current Financial Assets	USD	0.73	54.43	0.48	36.28
Other Current Financial Assets	EUR	0.11	9.39	-	-
Trade Payables	USD	0.53	38.72	1.17	88.14
Trade Payables	EUR	0.08	6.69	0.18	14.60
Other Current Financial Liabilities	GBP	0.01	0.73	-	-
Other Current Financial Liabilities	EUR	0.87	59.54	0.34	28.37
Other Current Financial Liabilities	USD	0.02	1.50	0.03	2.13

\*Denotes amounts in the respective foreign currency less than 5,000/-.

## Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Rs. In Millions

Particulars	Impact on profit after tax	
	As at March 31, 2021	As at March 31, 2020
<b>GBP Sensitivity</b>		
INR/GBP - Increased by 5%*	13.57	9.50
INR/GBP - Decreased by 5%*	(13.57)	(9.50)
<b>USD Sensitivity</b>		
INR/USD - Increased by 5%*	20.25	10.05
INR/USD - Decreased by 5%*	(20.25)	(10.05)
<b>EUR Sensitivity</b>		
INR/EUR - Increased by 5%*	21.81	19.29
INR/EUR - Decreased by 5%*	(21.81)	(19.29)

\* Holding all other variables constant

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 31: Financial Instruments- Fair Values and Risk Management (Contd.)

#### b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to investments which are primarily short-term fixed deposits, which do not expose it to significant interest rate risk.

#### (iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

**Rs. In Millions**

As at March 31, 2021	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non-Current</b>						
Other non-current financial liabilities - Lease Liability	50.94	50.94	-	15.38	35.56	-
<b>Current</b>						
Trade Payables	226.64	226.64	226.64	-	-	-
Other Current Financial Liabilities - Lease Liability	14.44	14.44	14.44	-	-	-
Other Current Financial Liabilities-Others	258.95	258.95	258.95	-	-	-

As at March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non-Current</b>						
Other non-current financial liabilities - Lease Liability	65.38	65.38	-	14.44	50.94	-
<b>Current</b>						
Trade Payables	295.68	295.68	295.68	-	-	-
Other Current Financial Liabilities - Lease Liability	18.75	18.75	18.75	-	-	-
Other Current Financial Liabilities-Others	192.80	192.80	192.80	-	-	-

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 32: Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders. The Company is not subject to any externally imposed capital requirements.

### Note 33: Employee Stock Option Plan

The Holding Company, Expleo Technology Germany GmbH, Germany had granted 20,000 stock options to senior employees of the Group in March, 2016. These options were to vest over a period of four years from the date of the grant i.e. March 18, 2016 and could be exercised within five years from the end of the vesting period i.e. May 31, 2025. The Holding Company did not charge any cost for this benefit.

During the Financial Year 2017-18 the shares of Expleo Technology Germany GmbH, got acquired by Assystems Services Deutschland GmbH including the stock options. This resulted in vesting of the aforementioned options on an accelerated basis and the stock options were exercised and settled in the previous year. There were no outstanding options at the end of the previous year and hence no contractual life of options outstanding at the end of March 31, 2020 and March 31, 2019. The opening balance of stock options as at April 01, 2017 and the options exercised during the Financial Year 2017-18 were 20,000 stock options. The weighted average price at the beginning as at April 01, 2017 was Rs.418.27 and the exercise price was Rs.744.98.

#### Fair Value of options granted

The fair value of the option at the grant date of Rs.65.14 (GBP 0.685) has been determined as the difference between the weighted average of the share price at the date of grant as reduced by the exercise price.

The Exercise price of the stock option at the date of grant by Expleo Technology Germany GmbH Germany was determined as follows:

The Option Price was based on the average (mean) of the closing prices for Depository Interests of the Company (ISIN DE 005493514) on the AIM segment of the London Stock Exchange (hereinafter the "AIM Trading") determined in British Pound ("GBP") on the last 20 trading days preceding the day of the offer to subscribe ("Reference Price") minus a deduction of 15% from the Reference Price.

These stock options were accounted for as an equity settled share based payment transaction in the financial statements of the Company in accordance with Ind AS 102 'Share Based Payments'.

### Note 34: Buy back

The Shareholders approved the proposal of Buyback of Equity Shares recommended by the Board of Directors, in its meeting held on January 31, 2019, through the postal ballot that concluded on March 28, 2019.

The buyback was offered to all eligible Equity Shareholders of the Company (other than the Promoters, the Promoter Group and Persons in control of the Company) under the tender offer route on a proportionate basis. The tender period for the buyback opened on May 30, 2019 and closed on June 13, 2019.

During the previous year, the Company had bought back and extinguished 4,60,896 Equity Shares at an average buyback price of Rs.550/- per equity share, constituting approximately 4.30% of the pre-buyback paid-up Equity Share Capital of the Company. The buyback resulted in Rs.261.11 Million (including Rs.7.60 Million towards transaction cost of buy-back) cash outflow. The Company funded the buyback from its free reserves (i.e. Securities Premium and Retained Earnings).

The Company had in accordance with the provisions of Section 69 of the Companies Act, 2013, created 'Capital Redemption Reserve' amounting to Rs.4.61 Million equal to the nominal value of the shares bought back as an appropriation from Retained Earnings.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 35: Asset pledged as security

The Company has a bank guarantee facility with a bank which is secured by Fixed deposits (Previous year secured by hypothecation of book debts) of the Company, both present and future. There is no outstanding amount due on this account as at the end of the current year and the previous year.

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
<b>Current Financial Assets</b>		
<b>First Charge</b>		
Current Assets - Fixed Deposits Banks	10.00	10.00
<b>Total assets pledged as security</b>	<b>10.00</b>	<b>10.00</b>

### Note 36: Disclosure required under Ind AS 116 "Leases"

The Company has entered into operating leases on its office buildings. These leases have terms of 3 to 6 years. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2021 is Rs.65.38 Million (Previous Year: Rs.84.13 Million).

The Company used a practical expedient, and did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The Lease payments associated with these amounting to Rs.3.30 Million (Previous Year: Rs.3.08 Million) are recognised as expenses on a straight line basis over the lease term.

#### The movement in Lease Liabilities during the year ended March 31, 2021 is as follows :

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Liability	84.13	101.30
Interest expenses	9.50	10.60
Payment of Lease Liabilities	(28.25)	(27.77)
<b>Closing Liability</b>	<b>65.38</b>	<b>84.13</b>

The Lease Liabilities amounting to Rs.65.38 Million (Previous Year Rs.84.13 Million) comprises of Non-Current Lease liabilities of Rs.50.94 Million (Previous Year Rs.65.38 Million) (refer Note 18) and current lease liability of Rs.14.44 Million (Previous Year Rs.18.75 Million) (refer Note 20) as at March 31, 2021. The contractual maturities of lease liabilities as of March 31, 2021 is disclosed in Note 31.

The incremental borrowing rates derived by a valuer, on the basis of the borrowing rate for each lease contract for the remaining life of the lease contract, adjusted with the credit profile of the Company, are used for each of the office buildings separately and the average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application ranges from 12.17% to 12.59%.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

## Note 37: Contingent Liabilities and Commitments

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
<b>a) Contingent Liabilities</b>		
(i) Claims against the Company not acknowledged as debt :		
Service Tax related matters	786.38	786.38
Income Tax related matters	118.71	116.07
(ii) Guarantees		
Counter Guarantees issued to the bank	5.80	3.09
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	11.61	1.67

The Service Tax Authorities had made a demand for Rs.329.14 Million along with interest and penalty for an equivalent amount, towards tax leviable for certain services rendered by the Company for the period April, 2011 to March, 2016. The Service Tax Authorities had also made a demand for Rs.126.90 Million along with interest and penalty of Rs.1.2 Million towards tax leviable for certain services rendered by the Company for the period April, 2016 to June, 2017. The Company has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) for both the demands and the Management expects it's position to be upheld by the Authorities in respect of both the demands.

Contingent liabilities include demand from the Income tax authorities for payment of additional tax of Rs.156.70 Million (Previous Year: Rs.116.07 Million) for the fiscal years 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The tax demand is mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A/10AA of the Income Tax Act and also other expenses disallowed. The Company has filed appeals before CIT (Appeals), ITAT and Madras High Court. The Company has also paid an amount of Rs.60.63 Million (after adjusting the refund of Rs.10.74 Million related to earlier years), towards the outstanding demand (under protest). The Management believes that its position in respect of all the years will be upheld by the Authorities.

During the year the Company has made an additional tax provision of Rs.6.58 Mn for the FY 2009-10 and also has made a payment under protest for the FY 2009-10 amounting to Rs.27.90 Million only for the issue pertaining to S. 10A of the Income Tax Act, 1961. The Company's management after discussion with the tax consultants decided to make the payment under protest for the S. 10 A Issue alone for the FY 2009-10. The Company believes that for the FY 2009-10, the other issue will be in favour of the Company. The payment under protest was made to mitigate future interest on the S. 10A issue alone.

For the FY 2009-10, the management also evaluated the option of Vivaad se Vishwaas scheme under the Income Tax Act, 1961. However, the management has decided to litigate further for the FY 2009-10.

**Note 38: Micro and Small Enterprises**

Disclosure of trade payables and other liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small & Medium Enterprises Development (MSMED Act), 2006". There is no amount overdue to Micro & Small Enterprises on account of principal amount together with interest.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 38: Micro and Small Enterprises (Contd.)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a)</b> The Principal amount and interest due thereon remaining unpaid to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006). Principal	0.63	3.96
Interest	-	-
<b>b)</b> The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
<b>c)</b> Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
<b>d)</b> Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
<b>e)</b> Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### Note 39: Amount paid to Auditors

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payments to the Auditors as:</b>		
a) Auditor	1.45	1.45
b) For Other Services	1.87	1.13
c) For Reimbursement of expenses	-	0.30
<b>Total</b>	<b>3.32</b>	<b>2.88</b>

### Note 40: Foreign Exchange Difference

The amount of exchange gain included in the Statement of Profit & Loss is Rs.32.29 Million (Previous Year: Gain of Rs.43.97 Million).

### Note 41: Corporate Social Responsibility

The Company has spent Rs.8.76 Million during the current year (Previous Year: Rs.7.83 Million) as per provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under Note 28 'Other Expenses'.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 41: Corporate Social Responsibility (Contd.)

a) The Gross amount required to be spent by the Company during the year is Rs.8.76 Million (Previous Year: Rs.7.83 Million).

b) Amount spent during the year on:

Particulars	Rs. In Millions		
	Amount spent in cash	Amount yet to be paid in cash	Total Amount
<b>For the year ended March 31, 2021</b>			
(i) Construction/ Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	8.76	-	8.76
<b>Total</b>	<b>8.76</b>	<b>-</b>	<b>8.76</b>
<b>For the Year ended March 31, 2020</b>			
(i) Construction/ Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	7.83	-	7.83
<b>Total</b>	<b>7.83</b>	<b>-</b>	<b>7.83</b>

### Note 42: Segment Information

The Company publishes these Standalone Financial Statements along with the Consolidated Financial Statements. In accordance with the Ind AS 108, Operating Segments, the Company has disclosed the segment information in the Consolidated Financial Statements.

### Note 43: Disclosures as required under Ind AS 24 'Related Party Disclosures'

a) Related Parties and their relationship

(i) Ultimate Holding Entities:

Ardian LBO Fund VI B

Assystem SA, France

(ii) Holding Company:

Expleo Technology Germany GmbH

(iii) Subsidiaries:

Name of Subsidiary	Country	% Holding as at March 31, 2021	% Holding as at March 31, 2020
Expleo Solutions Pte. Ltd.	Singapore	100%	100%
Expleo Solutions FZE	United Arab Emirates	100%	100%
Expleo Solutions UK Ltd.	United Kingdom	100%	100%
Expleo Solutions Inc.	United States of America	100%	100%

(iv) Key Management Personnel (KMP)

Balaji Viswanathan - Managing Director & CEO

Prof. K. Kumar - Deputy Chairman & Independent Director

Prof. S. Rajagopalan - Independent Director

Rajiv Kuchhal - Independent Director

Lilian Jessie Paul - Independent Director

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 43: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

#### a) Related Parties and their relationship (Contd.)

Ulrich Bäumer - Independent Director

Martin Hodgson - Non-Executive Director (w.e.f. April 9, 2020 and upto March 31, 2021)

Ralph Franz Gillessen - Non-Executive Director and Chairman (w.e.f May 20, 2021)

Olivier Aldrin - Non-Executive Director (upto July 15, 2020)

Mr. Rajesh Krishnamurthy - Additional Director (w.e.f. September 01, 2020)

Desikan Narayanan - Chief Financial Officer (CFO)

Phani Tangirala - Senior Director - BFSI

#### (v) Fellow Subsidiaries:

Expleo India Infosystems Private Limited

Expleo Technology Egypt

Expleo Technology UK Limited

Expleo Netherlands B.V.

Expleo Group Austria GmbH

#### (vi) Consolidating Company

Expleo Group SAS, France

#### (vii) Entities under common control

Expleo Technologies India Private Limited

Expleo South Africa (PTY) Limited

Expleo Services SASU, France

Expleo France SASU, France

Expleo Technology Ireland Limited

Expleo Stockholm AB

#### (viii) Post Employment benefit plan

Expleo Solutions Employees' Group Gratuity Scheme



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

## Note 43: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

## b) Transactions with Related Parties:

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>				
Income from the service rendered	Holding Company	Expleo Technology Germany GmbH	16.31	7.61
	Subsidiary	Expleo Solutions Pte. Ltd.	154.43	135.01
	Subsidiary	Expleo Solutions UK Ltd.	582.76	620.64
	Subsidiary	Expleo Solutions Inc.	133.48	79.48
	Fellow Subsidiary	Expleo India Infosystems Private Limited	1.41	2.81
	Fellow Subsidiary	Expleo Group Austria GmbH	173.47	165.66
	Entities under common control	Expleo South Africa (PTY) Limited	18.47	16.19
	Entities under common control	Expleo Technology Ireland Limited	245.86	193.35
	Entities under common control	Expleo Stockholm AB	-	1.31
	Entities under common control	Expleo France SASU, France	7.81	2.12
<b>Expenses</b>				
<b>Managerial remuneration</b>	Key Management Personnel	Balaji Viswanathan	17.47	16.31
	Key Management Personnel	Desikan Narayanan	7.26	6.60
	Key Management Personnel	Phani Tangirala	10.67	10.08
<b>Directors' Sitting Fees and Commission</b>	Key Management Personnel	Prof. K. Kumar	1.55	1.40
	Key Management Personnel	Prof. S. Rajagopalan	1.55	1.32
	Key Management Personnel	Rajiv Kuchhal	1.39	1.26
	Key Management Personnel	Ulrich Bäumer	1.25	0.96
	Key Management Personnel	Lilian Jessie Paul	1.41	1.16

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 43: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

#### b) Transactions with Related Parties (Contd.):

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Expenses for services rendered</b>	Holding Company	Expleo Technology Germany GmbH	-	1.40
	Subsidiary	Expleo Solutions Pte. Ltd.	115.17	113.99
	Subsidiary	Expleo Solutions FZE	194.00	204.77
	Subsidiary	Expleo Solutions UK Ltd.	177.55	197.45
	Subsidiary	Expleo Solutions Inc.	49.48	35.77
	Fellow Subsidiary	Expleo India Infosystems Private Limited	6.37	16.31
	Fellow Subsidiary	Expleo Technology Egypt	2.08	-
	Fellow Subsidiary	Expleo Netherlands B.V.	0.74	10.36
	Entities under common control	Expleo Services SASU, France	-	0.06
<b>Other Transactions</b>				
<b>Contribution paid</b>	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme	9.03	11.00
<b>Buy back of shares</b>	Key Management Personnel	Rajiv Kuchhal	-	4.86
<b>Cost Reimbursement Received</b>	Holding Company	Expleo Technology Germany GmbH	-	1.46
	Fellow Subsidiary	Expleo India Infosystems Private Limited	0.04	0.12
	Entities under common control	Expleo South Africa (PTY) Limited	-	2.28
	Entities under common control	Expleo Technology Ireland Limited	0.03	2.31
	Fellow Subsidiary	Expleo Group Austria GmbH	1.39	8.50
<b>Cost Reimbursement Paid</b>	Holding Company	Expleo Technology Germany GmbH	-	0.37
	Subsidiary	Expleo Solutions UK Ltd.	121.54	90.04
	Subsidiary	Expleo Solutions Inc.	20.57	1.30
	Fellow Subsidiary	Expleo India Infosystems Private Limited	1.44	3.86
	Fellow Subsidiary	Expleo Technology Egypt	0.02	-
	Entities under common control	Expleo Technologies India Private Limited	1.94	2.36

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

## Note 43: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

## b) Transactions with Related Parties (Contd.):

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
	Entities under common control	Expleo Services SASU, France	2.58	-
	Entities under common control	Expleo France SASU, France	26.02	-

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2021	As at March 31, 2020
<b>Outstanding Balances</b>				
<b>Amounts Receivable from</b>	Holding Company	Expleo Technology Germany GmbH	-	4.79
	Subsidiary	Expleo Solutions UK Ltd.	257.37	56.43
	Fellow Subsidiary	Expleo India Infosystems Private Limited	0.02	0.75
	Fellow Subsidiary	Expleo Group Austria GmbH	42.59	51.31
	Entities under common control	Expleo South Africa (PTY) Limited	5.52	12.08
	Entities under common control	Expleo France SASU, France	2.96	-
	Entities under common control	Expleo Technology Ireland Limited	47.57	60.73
<b>Amounts Payable to</b>	Subsidiary	Expleo Solutions Pte. Ltd.	97.74	76.07
	Subsidiary	Expleo Solutions FZE	76.52	89.90
	Subsidiary	Expleo Solutions Inc.	29.77	87.33
	Fellow Subsidiary	Expleo India Infosystems Private Limited	2.44	6.76
	Fellow Subsidiary	Expleo Technology Egypt	2.10	-
	Fellow Subsidiary	Expleo Netherlands B.V.	-	2.09
	Fellow Subsidiary	Expleo Group Austria GmbH	-	1.86
	Entities under common control	Expleo France SASU, France	3.95	-
	Entities under common control	Expleo Technologies India Private Limited	0.18	0.17
	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme	20.31	8.11

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 43: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

#### b) Transactions with Related Parties (Contd.):

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2021	As at March 31, 2020
<b>Provision for expenses</b>	Key Management Personnel	Balaji Viswanathan	2.82	3.39
	Key Management Personnel	Desikan Narayanan	1.26	1.20
	Key Management Personnel	Phani Tangirala	0.56	0.52
	Key Management Personnel	Prof. K. Kumar	1.15	0.90
	Key Management Personnel	Prof. S. Rajagopalan	1.15	0.90
	Key Management Personnel	Rajiv Kuchhal	1.15	0.90
	Key Management Personnel	Ulrich Bäumer	1.15	0.90
	Key Management Personnel	Lilian Jessie Paul	1.15	0.90
	<b>Investments</b>	Subsidiary	Expleo Solutions Pte. Ltd.	2.66
Subsidiary		Expleo Solutions FZE	24.17	24.17
Subsidiary		Expleo Solutions UK Ltd.	4.62	4.62
Subsidiary		Expleo Solutions Inc.	8.70	8.70

#### Details of Compensation paid to Key Management Personnel (KMP)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Employee benefit expenses</b>	Key Management Personnel	Short term benefits	35.40	32.99
		Post employment benefits*	-	-
		Other Long Term benefits	-	-
		Share based payments	-	-
		<b>Total</b>		<b>35.40</b>

\* Remuneration to Key Management Personnel does not include charge for gratuity and compensated absences, as employee-wise breakup is not available.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### Note 44: Disclosure made in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Name of the Company	Rs. In Millions	
		Amount outstanding as on March 31, 2021	Maximum amount of outstanding during the year
<b>a) Loans and advances</b>			
i) Loans and advances in nature of loans made to Subsidiary Company	None	Nil	Nil
ii) Loans and advances in nature of loans made to Associate Company	None	Nil	Nil
iii) Loans and advances in the nature of loans made to firms/ companies in which directors of the Company are interested	None	Nil	Nil
<b>b) Investment by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.</b>	None	Nil	Nil

### Note 45: Disclosure under section 186(4) of the Companies Act, 2013

Details of investments made are disclosed under Note 4. There are no loans or guarantees given by the Company.

### Note 46: Previous Year's Figures

Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

## Signatures to the Notes to the Standalone Financial Statements

### For and on behalf of the Board

**RALPH FRANZ GILLESSEN**

Chairman

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

**BALAJI VISWANATHAN**

Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

**DESIKAN NARAYANAN**

Chief Financial Officer

Place : Chennai, India

Date : May 20, 2021

**S. SAMPATH KUMAR**

Company Secretary & Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Members of Expleo Solutions Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Expleo Solutions Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies ("the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
<b>1. Revenue Recognition - Accuracy of recognition of revenue for fixed-price contracts on percentage of completion method involving critical estimates.</b>	
The Group derives revenue from software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers include fixed-price contracts, revenue whereof is recognised on proportionate completion method on the basis of the work completed.	Our procedures included: Assessment of the appropriateness of the Group's revenue recognition policy for fixed-price contracts to ensure that it meets the recognition and measurement principles enumerated in Ind AS 115 including disclosures in the financial statements.

Key Audit Matter Description	Our Response
<p>The use of proportionate completion method requires the Group to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended.</p> <p>These estimates of efforts or costs to be expended has a high inherent uncertainty which is based on the judgements made by the Management in ascertaining the costs and the efforts required to complete the remaining contractual performance obligations. In view of the same, there is a risk of revenue for the year being misstated due to incorrect recognition of accrued or deferred revenue as a result of using overstated / understated estimates of the costs and efforts to complete the remaining contractual performance obligations.</p> <p>(Refer Note 2(b)(i) and Note 2(c) to the Consolidated Financial Statements)</p>	<p>Obtained an understanding of the process and related controls for appropriate recognition of revenue. Evaluating the design and implementation and testing the operating effectiveness of such controls over the revenue recognition and measurement criteria.</p> <p>Tested fixed price contracts to assess whether the revenues recognised to date were appropriate; this work included reviewing stage of completion by reference to post year end data and understanding budget versus actual variances where applicable and the impact on revenue to be recognised by reference to the stage of completion.</p> <p>We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognised in the appropriate period.</p> <p>Evaluated the judgements made through discussions with project staff.</p> <p>Assessing the adequacy of the Group's disclosures about the degree of estimation involved in revenue recognition.</p>

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report namely, the Chairman's Overview, the Performance Highlights – Decade at a Glance (on a consolidated basis), the Director's Report including annexures to the Director's Report, the Management Discussion and Analysis, Business Responsibility Report and the Corporate Governance Report etc., but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets

of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 36 (a) to the consolidated Ind AS financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

**UDIN: 21127355AAAAEJ5186**

**Place:** Mumbai

**Date:** May 20, 2021

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2021.

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Expleo Solutions Limited ("the Holding Company"), as at March 31, 2021 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended and as on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements

includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**  
**PARTNER**

**Membership Number 127355**

**UDIN: 21127355AAAAEJ5186**

**Place:** Mumbai

**Date:** May 20, 2021

## Consolidated Balance Sheet as at March 31, 2021

Particulars	Note No.	Rs. In Millions	
		As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	248.39	259.54
Intangible Assets	3	0.03	0.34
<b>Financial Assets</b>			
(i) Loans	4	19.27	18.33
(ii) Other Non-Current Financial Assets	5	0.46	-
Deferred Tax Assets (Net)	6	16.45	13.82
Income Tax Assets (Net)	7	1.35	1.34
Other Non-Current Assets	8	98.05	71.75
<b>Total Non-Current Assets</b>		<b>384.00</b>	<b>365.12</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
(i) Trade Receivables	9	607.70	759.04
(ii) Cash and Cash Equivalents	10	983.22	789.92
(iii) Bank Balances other than (ii) above	11	327.80	82.55
(iv) Loans	12	197.86	51.84
(v) Other Current Financial Assets	13	102.07	60.41
Other Current Assets	14	40.61	30.72
<b>Total Current Assets</b>		<b>2,259.26</b>	<b>1,774.48</b>
<b>TOTAL ASSETS</b>		<b>2,643.26</b>	<b>2,139.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	15	102.52	102.52
Other Equity	16	1,916.11	1,419.50
<b>Equity attributable to shareholders of the Company</b>		<b>2,018.63</b>	<b>1,522.02</b>
Non-Controlling interests		-	-
<b>Total Equity</b>		<b>2,018.63</b>	<b>1,522.02</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Other Non-Current Financial Liabilities	17	50.94	65.38
Provisions	18	24.65	18.18
<b>Total Non-Current Liabilities</b>		<b>75.59</b>	<b>83.56</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and		0.63	3.96
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		53.94	114.16
(ii) Other Current Financial Liabilities	19	337.84	283.52
Other Current Liabilities	20	88.65	74.67
Provisions	21	7.45	4.91
Current Tax Liabilities (Net)	22	60.53	52.80
<b>Total Current Liabilities</b>		<b>549.04</b>	<b>534.02</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,643.26</b>	<b>2,139.60</b>
<b>Significant Accounting Policies</b>	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our Report of even date.

Signatures to the Consolidated Balance Sheet and Notes to Consolidated Financial Statements

**For KALYANIWALLA & MISTRY LLP  
CHARTERED ACCOUNTANTS**

**For and on behalf of the Board**

**Firm Regn. No. 104607W/W100166**

**FARHAD M. BHESANIA**

**RALPH FRANZ  
GILLESSEN**

**BALAJI VISWANATHAN**

**DESIKAN NARAYANAN**

**S. SAMPATH KUMAR**

Partner

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary &  
Compliance Officer

Membership Number 127355

Place : Mumbai, India

Date : May 20, 2021

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

Place : Chennai, India

Date : May 20, 2021

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021

## Consolidated Statement of Profit and Loss for the year ended March 31, 2021

Rs. In Millions

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	23	3,008.94	2,702.18
Other Income	24	54.20	77.69
<b>Total Income</b>		<b>3,063.14</b>	<b>2,779.87</b>
<b>EXPENSES</b>			
Employee Benefits Expense	25	1,570.93	1,464.12
Finance Cost	26	10.56	11.08
Depreciation and Amortisation Expense	3	58.05	58.22
Other Expenses	27	739.54	705.89
<b>Total Expenses</b>		<b>2,379.08</b>	<b>2,239.31</b>
<b>Profit Before Tax</b>		<b>684.06</b>	<b>540.56</b>
<b>Tax Expense</b>			
Current Tax	6 (b)	180.44	128.41
Deferred Tax	6 (a)	(0.79)	13.13
<b>Profit for the Year</b>		<b>504.41</b>	<b>399.02</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plan		(9.64)	(5.90)
<b>Income tax relating to items that will not be reclassified to profit or loss</b>	6 (c)	1.84	1.57
<b>Items that will be reclassified to profit or loss</b>		-	-
<b>Income tax relating to items that will be reclassified to profit or loss</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>496.61</b>	<b>394.69</b>
<b>Attributable to:</b>			
Owners of the Parent		496.61	394.69
Non-Controlling interests		-	-
<b>Of the Total Comprehensive Income above, Profit for the year attributable to:</b>			
Owners of the Parent		504.41	399.02
Non-Controlling interests		-	-
<b>Of the Total Comprehensive Income above, Comprehensive Income attributable to:</b>			
Owners of the Parent		(7.80)	(4.33)
Non-Controlling interests		-	-
<b>Earnings per Equity Share (Face value Rs.10/- per share)</b>			
Basic (Rs.)	28	49.20	38.51
Diluted (Rs.)	28	49.20	38.51
<b>Significant Accounting Policies</b>	2		

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our Report of even date.

Signatures to the Consolidated Statement of Profit & Loss and Notes to Consolidated Financial Statements

**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104607W/W100166**

**For and on behalf of the Board**

**FARHAD M. BHESANIA**

**RALPH FRANZ GILLESSEN**

**BALAJI VISWANATHAN**

**DESIKAN NARAYANAN**

**S. SAMPATH KUMAR**

Partner

Chairman

Managing Director & CEO

Chief Financial Officer

Company Secretary & Compliance Officer

Membership Number 127355

Place : Mumbai, India  
Date : May 20, 2021

DIN : 05184138

Place : Cologne, Germany  
Date : May 20, 2021

DIN : 06771242

Place : Bengaluru, India  
Date : May 20, 2021

Place : Chennai, India  
Date : May 20, 2021

ICSI Membership No. F3838

Place : Chennai, India  
Date : May 20, 2021

## Consolidated Statement of Changes in Equity for the year ended March 31, 2021

### (a) Equity Share Capital

	Rs. In Millions	
	Balance as at March 31, 2020	Balance as at April 1, 2019
	102.52	107.13
Changes in equity share capital during the year	(4.61)	-
<b>Balance as at April 1, 2020</b>	<b>102.52</b>	<b>102.52</b>

### (b) Other Equity

Particulars	Reserves and Surplus				Attributable to owners of the parent	Non-Controlling Interest	Total
	Capital Redemption reserve	Securities Premium	Employee Stock Compensation Reserve	General Reserve			
<b>Balance as at April 1, 2019</b>	-	193.53	1.31	212.09	1,281.32	-	1,281.32
Profit for the year	-	-	-	-	399.02	-	399.02
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	-	(4.33)	-	(4.33)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	<b>394.69</b>	-	<b>394.69</b>
Transfer to General Reserves	-	-	-	34.00	(34.00)	-	-
Expenses for buy back of equity shares	-	-	-	-	(7.62)	-	(7.62)
Transfer to Capital redemption reserve	4.61	-	-	-	(4.61)	-	-
Reduction of Share capital on buy back	-	(193.53)	-	-	(248.89)	-	(248.89)

**(b) Other Equity (Contd.)**

Particulars	Reserves and Surplus					Attributable to owners of the parent	Non-Controlling Interest	Total
	Capital Redemption reserve	Securities Premium	Employee Stock Compensation Reserve	General Reserve	Retained Earnings			
<b>Balance as at March 31, 2020</b>	4.61	-	1.31	246.09	1,167.49	1,419.50	-	1,419.50
Profit for the year	-	-	-	-	504.41	504.41	-	504.41
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	-	(7.80)	(7.80)	-	(7.80)
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	496.61	496.61	-	496.61
Transfer to General Reserves	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	4.61	-	1.31	246.09	1,664.10	1,916.11	-	1,916.11

As per our Report of even date.  
**For KALYANIWALLA & MISTRY LLP**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 104607W/W100166**

Signatures to the Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements  
**For and on behalf of the Board**

**FARHAD M. BHESANIA**  
Partner

**RALPH FRANZ GILLESSEN**  
Chairman

**BALAJI VISWANATHAN**  
Managing Director & CEO

**DESIKAN NARAYANAN**  
Chief Financial Officer

**S. SAMPATH KUMAR**  
Company Secretary & Compliance Officer

Membership Number 127555  
Place : Mumbai, India  
Date : May 20, 2021

DIN : 05184138  
Place : Cologne, Germany  
Date : May 20, 2021

DIN : 06771242  
Place : Bengaluru, India  
Date : May 20, 2021

Place : Chennai, India  
Date : May 20, 2021

ICSI Membership No. F5858  
Place : Chennai, India  
Date : May 20, 2021



## Consolidated Statement of Cash Flows for the year ended March 31, 2021

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	684.06	540.56
<b>Adjustment for:</b>		
Depreciation and Amortization Expense	58.05	58.22
Profit on sale of Property, Plant and Equipment	(0.09)	(0.23)
Unrealized forex exchange (gain)/ loss (Net)	(1.49)	(32.79)
Interest income	(18.41)	(15.22)
Finance Cost	9.50	10.60
Allowance for/ (Reversal of) credit loss	0.54	(0.32)
Provision for Doubtful Debts	0.69	(0.63)
Unwinding of discount on security deposits	(0.92)	(0.85)
<b>Operating profit before working capital changes</b>	<b>731.93</b>	<b>559.34</b>
<b>Adjustment for:</b>		
Decrease/ (Increase) in Trade Receivables	176.21	(286.28)
Decrease in Loans	2.02	10.61
(Increase)/ Decrease in Other Current Financial Assets	(37.52)	16.87
(Increase) in Other Current Assets	(11.31)	(1.69)
Decrease/ (Increase) in Other Non-Current Assets	1.60	(3.22)
(Decrease)/ Increase in Trade Payables	(67.97)	36.85
Increase/ (Decrease) in Other Current Financial Liabilities	46.33	(55.09)
Increase in Other Current Liabilities	14.07	11.19
Increase in Provisions	9.01	5.48
<b>Cash generated from operations</b>	<b>864.37</b>	<b>294.06</b>
Direct Taxes paid (net of refunds)	(200.62)	(127.11)
<b>Net cash flow from operating activities (A)</b>	<b>663.75</b>	<b>166.95</b>
<b>B. Cash flow from investing activities</b>		
Investment in bank deposit having maturity greater than 3 months	(752.92)	(77.91)
Proceeds from maturity of Fixed Deposits	506.55	2.41
Payments of unpaid dividend from Earmarked Accounts	0.66	1.01
Loan given to related party	(200.06)	-
Loan repaid by related party	46.83	-
Payments for purchase of Property, Plant and Equipment and Intangible Assets	(44.88)	(23.27)
Proceeds from sale of Property, Plant and Equipment	0.09	0.23
Interest Income Received	14.28	14.57
<b>Net cash flow (used in) investing activities (B)</b>	<b>(429.45)</b>	<b>(82.96)</b>
<b>C. Cash flow from financing activities</b>		
Lease liability paid	(28.25)	(27.76)
Buy back of equity shares	-	(253.50)
Expenses for Buy back of equity shares	-	(7.62)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(28.25)</b>	<b>(288.88)</b>
<b>Net (Decrease)/ Increase in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>206.05</b>	<b>(204.89)</b>
Effect of changes in exchange rate on Cash and Cash Equivalents	(12.75)	15.89
Cash & Cash Equivalents at the beginning of the year	789.92	978.92
<b>Cash and Cash Equivalents at the end of the year (Refer Note 10)</b>	<b>983.22</b>	<b>789.92</b>

**Notes:**

- The above Statement of Cash Flows includes Rs.8.76 Million spent (Previous Year: Rs.7.83 Million) towards Corporate Social Responsibility (CSR) Activities.
- The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 "Statement of Cash Flows".
- The accompanying notes form an integral part of the Consolidated Financials Statements.

As per our Report of even date.

**For KALYANIWALLA & MISTRY LLP**
**For and on behalf of the Board**
**CHARTERED ACCOUNTANTS**
**Firm Regn. No. 104607W/W100166**
**FARHAD M. BHESANIA**
**RALPH FRANZ  
GILLESSEN**
**BALAJI VISWANATHAN**
**DESIKAN NARAYANAN**
**S. SAMPATH KUMAR**
**Partner**
**Chairman**
**Managing Director & CEO**
**Chief Financial Officer**
**Company Secretary &  
Compliance Officer**
**Membership Number 127355**
**DIN : 05184138**
**DIN : 06771242**
**ICSI Membership No. F3838**

Place : Mumbai, India

Place : Cologne, Germany

Place : Bengaluru, India

Place : Chennai, India

Place : Chennai, India

Date : May 20, 2021

Date : May 20, 2021

Date : May 20, 2021

Date : May 20, 2021

Date : May 20, 2021

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 1

#### Company Overview:

Expleo Solutions Limited (“Expleo Solutions” or “the Company”), incorporated on June 8, 1998 as a private limited company was converted into a public limited company with effect from August 19, 2008. The Company made its Initial Public Offering (IPO) of its Equity Shares on September 24, 2009 (issue open date) and shares under IPO were allotted on October 14, 2009. The Company’s shares were listed on the National Stock Exchange and Bombay Stock Exchange with effect from October 26, 2009.

The Company is a subsidiary of Expleo Technology Germany GmbH, Germany.

The Company is an India based software service provider primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. The Company has invested in four wholly owned subsidiaries in Singapore, USA, UK and UAE for market development and service delivery in the respective regions.

Name of Subsidiary	Country of Incorporation	Percentage of ownership
Expleo Solutions Pte. Ltd., Singapore	Singapore	100%
Expleo Solutions UK Ltd., UK	UK	100%
Expleo Solutions Inc., USA	USA	100%
Expleo Solutions FZE, UAE	UAE	100%

Expleo Solutions Limited together with its subsidiaries is hereinafter referred to as “the Group”.

The Financial Statements of the Group for year ended March 31, 2021 were authorized for issue in accordance with the resolution of the Board of Directors on May 20, 2021.

### Note 2

#### Significant Accounting Policies:

##### a) Basis of preparation of financial statements:

These Consolidated Financial Statements have been prepared in accordance with the Indian

Accounting Standards (“Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant amendment rules issued thereafter.

##### i) Basis of presentation of financial statements:

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity have been prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 Statement of Cash Flows. The disclosure requirements with respect to items of the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are presented by way of notes forming part of the Consolidated Financial Statements.

The Group has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current.

##### ii) Principles of consolidation:

The Company consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, or is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Financial Statements of the Subsidiaries are consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits/ losses in full.

The Consolidated Financial Statements are prepared using uniform accounting policies

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

for transactions and other events in similar circumstances.

The Financial Statements include figures pertaining to the Head Office and Branches/ Places of Business located at Madras Export Processing Zone - Chennai, Belgium, Phillipines, Malaysia and the following wholly owned subsidiaries:

1. Expleo Solutions Pte. Ltd., Singapore
2. Expleo Solutions Inc., USA
3. Expleo Solutions UK Ltd., UK
4. Expleo Solutions FZE, UAE

### iii) Estimation of uncertainties relating to the global health pandemic from COVID-19

In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Receivables and other financial assets, the Group has considered internal and external information upto the date of approval of these financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

### iv) Basis of Measurement

These Consolidated Ind AS Financial Statements have been prepared based on accrual and going concern principles following the historical cost convention except for the following financial assets and liabilities which have been measured at fair value:

- a. Certain financial assets and liabilities measured at fair value
- b. Defined benefit plans - plan assets and share based payments measured at fair value.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

### b) Critical Accounting Estimates:

While preparing these Ind AS compliant Consolidated Financial Statements, the management has made certain estimates and assumptions that require subjective & complex judgments. These judgments affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgments, estimates and assumptions are required for:

#### i) Revenue Recognition:

The Group uses percentage of completion method for its fixed-bid contracts. The use of percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

#### ii) Determination of the estimated useful lives and residual values of tangible assets :

Useful lives of tangible assets are based on the life prescribed in the Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management's technical evaluation taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacements. Assumptions are

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

also made when the Group assesses whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of the residual value of the asset is based on the management's judgment about the condition of such asset at the point of sale of the asset.

### iii) Recognition and measurement of the defined benefit obligation:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, attrition rate and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

### iv) Recognition of deferred tax assets

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference, depreciation carry forwards and unused tax credits could be utilised.

### v) Leave Encashment:

The Group has a policy on the compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

### vi) Income Tax:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

### vii) Expected credit losses on financial assets:

On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about the risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

### viii) Provisions and Contingent Liabilities:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

### ix) Discounting of long term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

### c) Revenue Recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

The significant accounting policies related to revenue recognition are as under :

#### Software service income:

The Group has applied the guidance in Ind AS 115 'Revenue from Contracts with Customers' by applying the revenue recognition criteria for each distinct performance obligation. The

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

arrangements with customers generally meet the criteria for considering software testing services as distinct performance obligations. The transaction price as allocated to each distinct performance obligation is defined in the contract with the customer. In the case of fixed bid contracts, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses and the Group's performance creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

- i. The Group derives revenue from software services which involves primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers are on a fixed bid or a time and material basis.
- ii. Revenue in respect of time and material contracts is recognized based on time/efforts spent and/or billed to clients as per the terms of specific contracts as there is a direct relationship between input and productivity.
- iii. Revenue from fixed bid contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which the Group refers to as Unbilled Revenue) while invoicing in excess of revenues are classified as contract liabilities (which the Group refers to as Unearned Revenue).

The billing schedules agreed with customers include periodic performance

based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed credit period.

- iv. The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.
- v. Revenue includes reimbursement of expenses wherever billed as per the terms of the contracts.
- vi. Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.
- vii. The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.
- viii. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

### d) Interest Income:

Interest Income is recognised using the effective interest rate method.

### e) Dividend Income:

Dividend income is recognized when the right to receive payment is established.

### f) Other Income:

Other Income is recognized when the right to receive is established.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### g) Government Grants:

Grants from the government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

### h) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing Costs relating to acquisition of qualifying assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on assets is provided on the straight line method on the basis of useful life which is equal to or lower than the useful life prescribed in Schedule II of the Companies Act, 2013 for all the assets. The useful life is determined on the management's technical evaluation.

Asset description	Useful life (in years)
Building	20 years
Plant and equipment	3 years
Computer equipment	3 years
Furniture and fittings	3 years
Office Equipment	3 years
Vehicles	4 years
Temporary Partitions	Fully Depreciated
Leasehold Rights and Improvements	Tenure of lease period or 10 years, whichever is less
Residual Value is considered to be NIL.	

In the view of the management, property, plant and equipment individually costing Rs.5,000/- or less have a useful life of one year and are depreciated in full in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at

each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less costs to sell.

### i) Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization and impairment losses, if any. Intangible Assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. If the estimated useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The costs which can be capitalized include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss, when the asset is derecognized.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

Amortization rates currently applied are as follows:

<b>Asset description</b>	<b>Useful life (in Years)</b>
Intangible Assets - Computer Software	3 years
Intangible Assets - Software tools	5 years
Residual value is considered to be NIL	

In the view of the management, intangible assets individually costing Rs.5000/- or less have a useful life of one year and are hence fully amortised in the year of acquisition.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as “Intangible assets under development”.

**j) Financial Instruments:**

**i) Initial Recognition:**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

**ii) Subsequent Measurement:**

**a) Non-derivative financial instruments:**

**(i) Financial instruments measured at amortized cost:**

A financial instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The computation of amortized cost is done using the effective interest rate (EIR) method. Amortized cost is

calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

**(ii) Financial Assets at fair value through Other Comprehensive Income:**

A financial instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in Other Comprehensive Income.

**(iii) Financial Assets at fair value through profit and loss:**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**(iv) Financial Liabilities**

Financial Liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**b) Share Capital:**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary equity shares are recognized as a deduction from equity, net of any tax effects.

**c) Derivatives:**

Derivatives include foreign currency forward contracts. It is measured at fair

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

value. Fair value of foreign currency forward contracts are determined using the fair value reports provided by the respective banks.

### iii) Derecognition of financial instruments:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial assets and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

## k) Impairment:

### i) Financial Assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in the Statement of Profit and Loss.

### ii) Non-financial assets:

#### Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not

be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are required to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

### l) Fair value of financial instruments:

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a



## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to Note 30 in the Consolidated Financial Statements for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

### m) Provisions and Contingencies:

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

### Onerous Contracts:

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent Liabilities are disclosed in the notes to the Consolidated Financial Statements. A contingent liability is a possible obligation that arises due to past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised but their existence is disclosed in the Consolidated Financial Statements.

### n) Foreign Currency:

#### Functional and Presentation Currency:

The functional currency of the Group is the Indian rupee. These Consolidated Financial Statements are presented in Indian Rupees.

#### Transactions and Translations:

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date of the transaction.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which transaction is settled. Exchangedifferences on account of conversion of foreign operations are also recognized as income or as expense in the year in which they arise. Revenue and expense items pertaining to foreign operations denominated in foreign currencies are translated into the relevant functional currencies using the monthly weighted average exchange rate of the respective currencies. The gains or losses resulting from such transactions are included in exchange loss/ gain under the head "Other Expenses" or under the head "Other Income" respectively in the Statement of Profit and Loss.

### o) Earnings per share:

Basic earnings per equity share are computed by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### p) Income taxes:

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss for items recognized in the Statement of Profit and Loss. Income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in Other Comprehensive Income (OCI) or in Equity).

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

#### Current Tax:

Current income tax for current and prior periods (including Minimum Alternate Tax (MAT)) is recognized at the amount expected to be paid or recovered from the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred Tax:

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

**q) Employee Benefits:**

**i) Short term employee benefits:**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Leave Encashment:**

The Group pays leave encashment on short term basis for onsite employees for the period of leave they are entitled to during their onsite stay.

**ii) Post Employment obligations:**

**(a) Defined contribution plans:**

Employee benefits in the form of Provident Fund/Social Security payments are defined contribution schemes and contributions made are charged to the Statement of Profit and Loss for the year. The Group has no further obligations under these plans beyond its periodic contributions. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

**(b) Defined benefit plans:**

**Gratuity:**

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liability with regard to the gratuity plan is determined by actuarial valuation, performed by an independent actuary,

at each Balance Sheet date using the projected unit credit method. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Re-measurement of the net defined benefit liability which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income. Net interest expense / (income) on the net defined liability / (asset) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

**iii) Long Term Employee Benefits:**

The Group's net obligation in respect of long term employee benefits for offshore employees, being long term compensated absences is the amount of future benefits that employees have earned in return for the service in the current and prior periods. The liability is determined by an independent actuary, using Projected Unit Control Method. Actuarial gains and losses are recognised immediately as income or expense in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**r) Share based compensation:**

The Group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102 'Share-Based Payment'. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### s) Statement of Cash Flows:

The Statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents in the Statement of Cash Flows comprise cash at bank and in hand and fixed deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### t) Dividends:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective Company's Board of Directors.

### u) Leases:

#### Where the Group is a lessee:

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively restated. The effect of adoption of Ind AS 116 was insignificant. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease.

On transition, the Group has recognised new assets and liabilities for its operating leases of premises

- i) Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at April 01, 2019.
- (ii) Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- (iii) The nature of expenses related to those leases changed from lease rent in previous periods to

(a) amortization charge for the right-to-use asset, and

(b) interest accrued on lease liability.

- (iv) The Group used a practical expedient when applying Ind AS 116. The Group did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The Lease payments associated with these are recognised as an expense on a straight line basis over the lease term.

### v) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Group operations predominantly relate to software validation and verification services relating to banking, financial services and insurance industry and accordingly, this is the only primary reportable business segment. The segment sales information is provided on a geographical basis classified as India and the rest of the world.

### w) Recent accounting pronouncements - Standards issued but not yet effective:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- iii) Specified format for disclosure of shareholding of promoters.

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

- iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters,

directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes to the Consolidated Financial Statements as at March 31, 2021

## Note 3: Property, Plant &amp; Equipment and Intangible Assets

Particulars	GROSS BLOCK						DEPRECIATION and AMORTISATION				NET BLOCK	
	As at April 1, 2020	Additions during the year	Deductions during the year	Consolidation Adjustments	As at March 31, 2021	Upto March 31, 2020	For the Year	Deductions during the year	Consolidation Adjustments	As at March 31, 2021	As at March 31, 2021	Upto March 31, 2020
<b>a) Property, Plant &amp; Equipment</b>												
Buildings												
- Owned	190.68	-	-	0.02	190.70	46.44	11.64	-	0.02	58.10	132.60	144.24
- Right of Use Assets (Refer Note 3.1)	106.18	-	-	-	106.18	23.24	23.24	-	-	46.48	59.70	82.94
Leasehold Improvements	2.37	-	-	-	2.37	2.36	-	-	-	2.36	0.01	0.01
Plant and Equipment	14.77	-	0.36	0.02	14.43	14.44	0.17	0.36	-	14.25	0.18	0.33
Office Equipment	7.31	0.69	0.40	2.18	9.78	5.09	1.41	0.40	0.47	6.57	3.21	2.22
Furniture and Fittings	22.82	-	-	-	22.82	22.50	0.15	-	0.01	22.66	0.16	0.32
Computer Equipment	65.37	41.81	4.27	-	102.91	38.12	17.89	4.27	-	51.74	51.17	27.25
Vehicles	3.34	-	-	-	3.34	1.11	0.87	-	-	1.98	1.36	2.23
<b>Total Property, Plant &amp; Equipment</b>	<b>412.84</b>	<b>42.50</b>	<b>5.03</b>	<b>2.22</b>	<b>452.53</b>	<b>153.30</b>	<b>55.37</b>	<b>5.03</b>	<b>0.50</b>	<b>204.14</b>	<b>248.39</b>	<b>259.54</b>
<b>Previous Year</b>	<b>304.07</b>	<b>129.44</b>	<b>20.67</b>	<b>-</b>	<b>412.84</b>	<b>117.39</b>	<b>56.58</b>	<b>20.67</b>	<b>-</b>	<b>153.30</b>	<b>259.54</b>	<b>-</b>
<b>b) Intangible Assets</b>												
Computer Software and Tools	19.58	2.38	-	(0.01)	21.95	19.24	2.68	-	-	21.92	0.03	0.34
<b>Total Intangible Assets</b>	<b>19.58</b>	<b>2.38</b>	<b>-</b>	<b>(0.01)</b>	<b>21.95</b>	<b>19.24</b>	<b>2.68</b>	<b>-</b>	<b>-</b>	<b>21.92</b>	<b>0.03</b>	<b>0.34</b>
<b>Previous Year</b>	<b>19.60</b>	<b>0.01</b>	<b>0.03</b>	<b>-</b>	<b>19.58</b>	<b>17.63</b>	<b>1.64</b>	<b>0.03</b>	<b>-</b>	<b>19.24</b>	<b>0.34</b>	<b>-</b>
<b>TOTAL (a+b)</b>	<b>432.42</b>	<b>44.88</b>	<b>5.03</b>	<b>2.21</b>	<b>474.48</b>	<b>172.54</b>	<b>58.05</b>	<b>5.03</b>	<b>0.50</b>	<b>226.06</b>	<b>248.42</b>	<b>259.88</b>
<b>Total Previous Year (a+b)</b>	<b>323.67</b>	<b>129.45</b>	<b>20.70</b>	<b>-</b>	<b>432.43</b>	<b>135.02</b>	<b>58.22</b>	<b>20.70</b>	<b>-</b>	<b>172.54</b>	<b>259.88</b>	<b>-</b>

**Note 3.1:** Buildings includes right-of-use assets of Rs.106.18 Million related to leased properties that do not meet the definition of investment property.

## Notes to the Consolidated Financial Statements as at March 31, 2021

### Note 4: Loans (Non Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	19.27	18.33
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	5.77	5.08
Less: Allowance for Doubtful Deposits	(5.77)	(5.08)
<b>Total</b>	<b>19.27</b>	<b>18.33</b>

### Note 5: Other Non Current Financial Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, Considered good</b>		
Fixed Deposits with remaining maturity of more than 12 months (Refer Note 5.1 below)	0.46	-
<b>Total</b>	<b>0.46</b>	<b>-</b>

**Note 5.1:** Under lien with bank towards guarantees issued by the bank on behalf of the Company.

### Note 6: Deferred Tax Assets

#### a) Movement in Deferred Tax Balances

Rs. In Millions

Particulars	Net Balance as at April 01, 2020	Movement during the year		Net Balance As at March 31, 2021
		Recognised in Profit and Loss	Recognised in Other Comprehensive Income	
<b>Deferred Tax Assets</b>				
Property, Plant and Equipment	8.14	(2.77)	-	5.37
Employee Benefits	5.68	3.56	1.84	11.08
Allowance for expected Credit loss	-*	-	-	-*
<b>Deferred Tax Assets</b>	<b>13.82</b>	<b>0.79</b>	<b>1.84</b>	<b>16.45</b>

\* Denotes an amount less than Rs.5,000/-.

## Notes to the Consolidated Financial Statements as at March 31, 2021

## Note 6: Deferred Tax Assets (Contd.)

Rs. In Millions

Particulars	Net Balance as at April 01, 2019	Movement during the year		Net Balance as at March 31, 2020
		Recognised in Profit and Loss	Recognised in Other Comprehensive Income	
<b>Deferred Tax Assets</b>				
Property, Plant and Equipment	12.00	(3.86)	-	8.14
Employee Benefits	4.39	(0.28)	1.57	5.68
Allowance for expected Credit loss	0.12	(0.12)	-	-*
Unused Tax Credits	8.87	(8.87)	-	-
<b>Deferred Tax Assets</b>	<b>25.38</b>	<b>(13.13)</b>	<b>1.57</b>	<b>13.82</b>

\* Denotes an amount less than Rs.5,000/-.

## b) Amounts recognised in the Statement of Profit and Loss

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current Income Tax</b>		
Current tax expense for current year	173.52	132.17
Current tax expense pertaining to previous years	6.92	(3.76)
	180.44	128.41
<b>Deferred Tax Asset (Net)</b>		
Origination and reversal of Tax on Temporary Differences	(0.79)	13.13
<b>Total Tax expense for the year</b>	<b>179.65</b>	<b>141.54</b>

## c) Amounts recognised in Other Comprehensive Income

Rs. In Millions

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before Tax	Tax (Expense)/ Benefit	Net of Tax	Before Tax	Tax (Expense)/ Benefit	Net of Tax
Remeasurement of Defined Benefit Liability	(9.64)	1.84	(7.80)	(5.90)	1.57	(4.33)
	<b>(9.64)</b>	<b>1.84</b>	<b>(7.80)</b>	<b>(5.90)</b>	<b>1.57</b>	<b>(4.33)</b>



## Notes to the Consolidated Financial Statements as at March 31, 2021

## Note 6: Deferred Tax Assets (Contd.)

## d) Reconciliation of Income Tax expense and the accounting profit multiplied by India's tax rate

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Profit Before Tax</b>	<b>684.06</b>	<b>540.56</b>
Indian statutory income tax rate	25.168%	25.168%
<b>Expected income tax expense</b>	<b>172.16</b>	<b>136.05</b>
<b>Tax effect of adjustments to reconcile expected Income Tax Expense:</b>		
Tax Effect of Non-Deductible expenses to reported Income Tax Expense	6.49	3.34
Tax Effect of MAT Tax credit foregone on adoption of Lower Tax rate	-	8.87
Tax Effect of differences in overseas tax rates for foreign subsidiaries and currency translation	(4.74)	(6.46)
Adjustments recognised in current year in relation to tax of prior years	6.92	(3.76)
Tax Effect of adoption of Low Tax Rate on Deferred Tax	-	4.76
Tax Effect of Deductible Temporary Differences	2.03	0.92
Tax Effect of Income not subject to tax	(3.79)	(2.09)
Others	0.58	(0.09)
<b>Total Income Tax Expense</b>	<b>179.65</b>	<b>141.54</b>

- e) During the year, the Group has made an additional tax provision of Rs.6.58 Million for the FY 2009-10 and also has made a payment under protest for the FY 2009-10 amounting to Rs.27.90 Million for S. 10AA (SEZ deduction).
- f) The Group offsets tax assets & liabilities if and only if it has a legally enforceable right to set off current tax assets & current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.
- g) The recoverability of deferred income tax assets is based on the estimate of taxable income in the tax jurisdiction in which the entity operates and the period over which deferred income tax assets will be recovered.

## Note 7 : Income Tax Assets (Net)

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
Advance Tax and Tax Deducted at Source (Net)	1.35	1.34
<b>Total</b>	<b>1.35</b>	<b>1.34</b>

(Refer Note 6 for Tax Reconciliations)

## Notes to the Consolidated Financial Statements as at March 31, 2021

## Note 8 : Other Non Current Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advances	1.16	0.82
Employee Advances	1.91	3.84
Prepaid Expenses	0.05	0.06
Balances with Government authorities	98.29	70.39
Less: Provision for Balances with Government authorities	(3.36)	(3.36)
<b>Total</b>	<b>98.05</b>	<b>71.75</b>

## Note 9 : Trade Receivables

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables Considered Good - secured	-	-
Trade Receivables Considered Good - Unsecured	608.26	759.06
Trade Receivables which have a significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Less: Allowance for Credit Loss	(0.56)	(0.02)
<b>Total</b>	<b>607.70</b>	<b>759.04</b>

## Note 10 : Cash and Cash Equivalents

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances With Banks</b>		
in Current Accounts	953.16	684.92
in Deposit Accounts with original maturity of less than 3 months	30.06	105.00
Cash On Hand *	-	-
<b>Total</b>	<b>983.22</b>	<b>789.92</b>

**Note 10.1:** There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of the reporting year and previous year.

\* Denotes an amount less than Rs.5,000/-.

## Note 11: Other Bank Balances

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances With Banks</b>		
Earmarked Balances with Banks - Unclaimed Dividend	2.26	2.92
Deposits with original maturity of more than 3 months but less than 12 months (Refer Note 11.1 below)	325.54	79.63
<b>Total</b>	<b>327.80</b>	<b>82.55</b>

**Note 11.1:** Includes deposits under lien with bank towards guarantee issued by the bank on behalf of the Group Rs.5.54 Million (Previous Year: Rs.3.09 Million).

**Note 11.2:** There are no repatriation restrictions with regard to Other Bank Balances as at the end of the reporting year and previous year.

## Notes to the Consolidated Financial Statements as at March 31, 2021

## Note 12: Loans (Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	2.20	5.01
Dues from Related parties (Refer Note 12.1 below)	195.66	46.83
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	-	-
<b>Total</b>	<b>197.86</b>	<b>51.84</b>

**Note 12.1:** Represents Loan given to a Group entity. The Loan was given in GBP and in Euro at (4.41% + Libor prevailing rates) Interest per annum for general purpose to the Group entity. (Previous Year the GBP loan was given at 2.5% interest per annum for general purpose to a fellow subsidiary and was guaranteed by Expleo Technology Germany GmbH).

## Note 13: Other Current Financial Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Interest accrued on fixed deposits	2.36	0.76
Interest accrued on Loan to Related Party	2.54	-
Export incentive receivables	34.44	34.44
Unbilled Revenue	62.73	25.21
<b>Total</b>	<b>102.07</b>	<b>60.41</b>

## Note 14: Other Current Assets

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Considered Good</b>		
Advances to vendors	6.45	6.32
Advances to employees	7.91	8.95
Balances with Government Authorities	4.62	1.84
Prepaid Expenses	21.63	13.61
<b>Total</b>	<b>40.61</b>	<b>30.72</b>

## Note 15: Equity Share Capital

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a) Authorised</b>		
12,000,000 Equity Shares of Rs.10/- each	120.00	120.00
	<b>120.00</b>	<b>120.00</b>
<b>b) Issued, Subscribed and Paid Up</b>		
10,252,485 (Previous Year: 10,252,485) Equity Shares of Rs.10/- each fully paid up	102.52	102.52
	<b>102.52</b>	<b>102.52</b>

## Notes to the Consolidated Financial Statements as at March 31, 2021

### Note 15 : Equity Share Capital (Contd.)

c) During the previous year, the Company had bought back 460,896 Equity Shares comprising approximately 4.30% of the paid-up equity share capital of the Company.

#### d) Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Rs. In Millions	No. of shares	Rs. In Millions
<b>Equity Shares</b>				
Outstanding at the beginning of the year	10,252,485	102.52	10,713,381	107.13
Less: Buyback of shares during the year	-	-	460,896	4.61
<b>Outstanding at the end of the year</b>	<b>10,252,485</b>	<b>102.52</b>	<b>10,252,485</b>	<b>102.52</b>

#### e) Shareholding Information

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Equity Shares are held by</b>		
Expleo Technology Germany GmbH (Holding Company)	5,758,804	5,758,804

#### f) Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### g) Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%	No. of shares	%
<b>Equity Shares</b>				
Expleo Technology Germany GmbH (Holding Company)	5,758,804	56.17	5,758,804	56.17

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

#### h) Equity Shares Reserved for Issue Under Options

There are no equity shares reserved for issue under options.

### Note 16: Other Equity

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a) Securities Premium (Refer Note 16.1 below)</b>		
Opening Balance	-	193.53
Additions during the year	-	-
Buyback of Equity Shares during the year (Refer Note 33)	-	(193.53)
Closing Balance	-	-

## Notes to the Consolidated Financial Statements as at March 31, 2021

### Note 16: Other Equity (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>b) General Reserve (Refer Note 16.2 below)</b>		
Opening Balance	246.09	212.09
Addition during the year	-	34.00
Closing Balance	246.09	246.09
<b>c) Retained Earnings (Refer Note 16.3 below)</b>		
Opening Balance	1,167.49	874.39
Profit for the year	504.41	399.02
Transfer to General Reserve	-	(34.00)
Other Comprehensive Income	(7.80)	(4.33)
Transfer to Capital redemption reserve upon Buyback (Refer Notes 16.4 and 33)	-	(4.61)
Buyback of Equity Shares during the year (Refer Note 33)	-	(62.98)
Closing Balance	1,664.10	1,167.49
<b>d) Capital Redemption Reserve (Refer Note 16.4 below)</b>		
Opening Balance	4.61	-
Transfer from Retained Earnings upon Buyback (Refer Notes 16.4 and 33)	-	4.61
Closing Balance	4.61	4.61
<b>e) Employee Stock Compensation Reserve (Refer Note 16.5 below)</b>		
Opening Balance	1.31	1.31
Addition during the year	-	-
Closing Balance	1.31	1.31
<b>Total</b>	<b>1,916.11</b>	<b>1,419.50</b>

#### Note 16.1: Securities Premium

The Securities Premium has been created on account of premium on issue of Equity Shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013. During the previous year, an amount of Rs.193.53 Million was utilised from Securities Premium, to offset the excess of total buy-back cost of Rs.261.11 Million (including Rs.7.62 Million towards transaction cost of buy-back) over par value of shares.

#### Note 16.2: General Reserve

The Group had transferred a portion of the net profit of the Group to general reserve, on a voluntary basis, during the previous year.

#### Note 16.3: Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders. During the previous year, an amount of Rs.59.97 Million was utilised from retained earnings, to offset the excess of total buy-back cost of Rs.261.11 Million (including Rs.7.62 Million towards transaction cost of buy-back) over par value of shares.

## Notes to the Consolidated Financial Statements as at March 31, 2021

### Note 16: Other Equity (Contd.)

#### Note 16.4: Capital Redemption reserve

As per provisions of Section 69 of the Companies Act, 2013, Capital Redemption Reserve is to be created when Company purchases (buys back) its own shares out of the free reserves for an amount equal to the nominal value of shares (Share Capital extinguished) so purchased. Accordingly, during the previous year an amount of Rs.4.61 Million i.e. the Share Capital extinguished has been transferred from Retained Earnings to Capital Redemption Reserve.

#### Note 16.5: Employee Stock Compensation Reserve

The Employee Stock Compensation Reserve is used to recognise the grant date fair value of options issued under the Group's Stock Option Plan provided to employees as part of their remuneration (Refer Note 32).

### Note 17: Other Non Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	50.94	65.38
<b>Total</b>	<b>50.94</b>	<b>65.38</b>

### Note 18: Provisions (Non Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Compensated absences	17.75	10.96
Gratuity	6.90	7.22
<b>Total</b>	<b>24.65</b>	<b>18.18</b>

### Note 19: Other Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Employee benefits payable	115.03	97.12
Gratuity	20.31	8.11
Lease Liability	14.44	18.75
Liabilities for other expenses	185.80	156.62
Unclaimed dividend (Refer Note 19.1 below)	2.26	2.92
<b>Total</b>	<b>337.84</b>	<b>283.52</b>

**Note 19.1:** There are no amounts due for payment to the Investor Education and Protection Fund as at the end of the current year and previous year.

### Note 20: Other Current Liabilities

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	84.73	72.35
Unearned Revenue	3.92	2.32
<b>Total</b>	<b>88.65</b>	<b>74.67</b>

## Notes to the Consolidated Financial Statements as at March 31, 2021

### Note 21: Provisions (Current)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for Employee Benefits:</b>		
Compensated Absences	5.98	3.49
Provision for Gratuity	1.47	1.42
<b>Total</b>	<b>7.45</b>	<b>4.91</b>

### Note 22: Current Tax Liabilities (Net)

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Tax (Net)	60.53	52.80
<b>Total</b>	<b>60.53</b>	<b>52.80</b>

(Refer Note 6 for Tax Reconciliations)

### Note 23: Revenue from Operations

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from Contracts with customer</b>		
Software Services (Refer Note 23.1 below)	3,008.94	2,694.04
<b>Other Operating Revenues</b>		
Export Incentives (Net)	-	8.14
<b>Total</b>	<b>3,008.94</b>	<b>2,702.18</b>

#### Note 23.1: Disclosures relating to Revenue from Operations

##### a) Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers for the years ended March 31, 2021 and March 31, 2020 by contract type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of their revenues and cash flows are affected by economic factors.

##### Revenue based on contract type:

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fixed Bid	669.14	932.74
Time & Material	2,339.80	1,761.30
<b>Total</b>	<b>3,008.94</b>	<b>2,694.04</b>

The Group derives its revenue across two categories of contracts - Fixed Bid contracts and Time & Material (T&M) contracts. The Group has identified a single reportable segment namely 'Software Validation and Verification Services' as disclosed in Note 38 to the Consolidated Financial Statements. The Group has disclosed revenue generated by geographical market which is provided only as per

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 23: Revenue from Operations (Contd.)

#### Note 23.1: Disclosures relating to Revenue from Operations (Contd.)

the specific requirement of Ind AS 108 for a single reportable segment. However, the Group does not assess revenue based on geography and hence there is no disaggregation of revenue disclosed based on geography.

**b)** The contract liabilities (unearned revenue) primarily relate to the advance consideration received from customers for which revenue is recognised over time. An amount of Rs.2.32 Million (Previous Year: Rs.7.40 Million) recognised in contract liabilities as at April 1, 2020 has been recognised as revenue for the year ended March 31, 2021.

**c)** There is no revenue recognised in the reporting period for performance obligations satisfied in previous periods.

#### **d) Transaction price allocated to the remaining performance obligations**

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs.94.55 Million (Previous Year: Rs.55.60 Million) which is expected to be recognised as revenue in the next year. Remaining performance obligation estimates are subject to change and are affected by several factors, including adjustments for currency.

#### **e) Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and in the case of fixed bid contracts with an original expected project duration of less than one year.

#### **f) Revenue as per contracted price with the customers**

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers (as per the Statement of Profit and Loss)	3,008.94	2,694.04
Add: Discounts	101.89	39.61
<b>Revenue as per contracted price with the customers</b>	<b>3,110.83</b>	<b>2,733.65</b>

### Note 24: Other Income

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income		
On Fixed deposits and others	11.97	14.09
On Interest on Loan to subsidiary company	6.44	1.13
On Other financial assets carried at amortised cost	0.92	0.85
Profit on Sale of Property Plant and Equipment	0.09	0.23
Provision for expected credit loss written back	-	0.32
Net foreign exchange gain	25.31	60.56
Rent concessions	3.97	-



## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 24: Other Income (Contd.)

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Government Grant	5.37	0.46
Miscellaneous Income	0.13	0.05
<b>Total</b>	<b>54.20</b>	<b>77.69</b>

### Note 25: Employee Benefit Expense

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	1,455.22	1,353.80
Contribution to provident and other funds (Refer Note 29 (b) (i))	86.41	72.25
Gratuity expense (Refer Note 29 (b) (ii))	12.42	13.47
Staff welfare expense	16.88	24.60
<b>Total</b>	<b>1,570.93</b>	<b>1,464.12</b>

### Note 26: Finance Cost

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Income Tax	1.06	0.48
Interest on Lease liability	9.50	10.60
<b>Total</b>	<b>10.56</b>	<b>11.08</b>

### Note 27: Other Expenses

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Travel and conveyance	45.38	163.21
External Consultant Costs	423.07	328.98
Sales commission	14.72	16.51
Professional fees	50.35	24.42
Software expenses	69.38	33.72
Rent expenses for Short term and low value leased assets (Refer Note 35)	4.22	3.90
Marketing and selling expenses	37.84	23.84
Repairs & maintenance		
Buildings	21.70	18.40
Plant and machinery	2.10	2.11
Others	6.77	12.26
Power and fuel	9.92	16.69
Rates and taxes	1.44	12.25
Communication expenses	4.68	8.49

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 27: Other Expenses (Contd.)

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission to independent directors	5.75	4.50
Insurance	11.23	11.44
Training and recruitment	8.93	8.52
Corporate social responsibility expense	8.76	7.83
Audit fees	3.32	2.88
Directors sitting fees	1.40	1.66
Allowance for credit loss	0.54	-
Miscellaneous expenses	8.04	4.28
<b>Total</b>	<b>739.54</b>	<b>705.89</b>

### Note 28: Earnings Per Share

#### a) Basic Earnings Per Share

The calculation of Basic Earnings Per Share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding.

#### (i) Profit attributable to equity shareholders (basic)

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year, attributable to equity shareholders of the Company	504.41	399.02
<b>Total</b>	<b>504.41</b>	<b>399.02</b>

#### (ii) Weighted average number of equity shares (basic)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of equity shares at the beginning of the year	10,252,485	10,713,381
Less: Weighted average of shares bought back during the year	-	351,339
<b>Total weighted average number of equity shares for calculating basic EPS</b>	<b>10,252,485</b>	<b>10,362,042</b>

<b>Earnings Per Share - Basic (in Rs.) (nominal value Rs.10/- per share)</b>	<b>49.20</b>	<b>38.51</b>
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#### b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

#### (i) Profit attributable to equity shareholders (diluted)

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year, attributable to equity shareholders of the Company	504.41	399.02
<b>Total</b>	<b>504.41</b>	<b>399.02</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 28: Earnings Per Share (Contd.)

#### (ii) Weighted average number of equity shares (diluted)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of equity shares outstanding (basic)	10,252,485	10,362,042
Weighted average number of equity shares for calculating diluted EPS	<b>10,252,485</b>	<b>10,362,042</b>
<b>Earnings per Share - Diluted (in Rs.) (nominal value Rs.10/- per share)</b>	<b>49.20</b>	<b>38.51</b>

### Note 29 : Disclosure as required under Ind AS 19 'Employee Benefits'

#### a) Compensated Absences

The Company provides for the encashment of leave or leave with pay to offshore employees. The employees are entitled to accumulate leave, subject to certain limits, for future availment/ encashment. The liability is provided based on the number of days of unutilised days of leave at each Balance Sheet date on the basis of the year-end actuarial valuation using the projected unit credit method. The scheme is unfunded.

Rs. In Millions		
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Liability at the beginning of the year	14.45	11.23
Leave salary cost accounted for the year (Net)	9.28	3.22
<b>Total liability as at the end of the year</b>	<b>23.73</b>	<b>14.45</b>

**Note 29.1:** Refer Note 18 for Long term benefits and Note 21 for Short term benefits.

#### b) Post-employment obligations

##### (i) Defined contribution plan - Provident fund & Social Security Schemes

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution accounted for the year (Includes EDLI charges and Employer's contribution to Employees' Pension Scheme, 1995) (Refer Note 25)	86.41	72.25
<b>Total</b>	<b>86.41</b>	<b>72.25</b>

##### (ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC) as per New Group Gratuity Cash Accumulation Plan for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority (IRDA) Regulations. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

## Note 29 : Disclosure as required under Ind AS 19 'Employee Benefits' (Contd.)

## Defined Benefit Plan - Gratuity

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>i) Change in Present Value Of Defined Benefit Obligation</b>		
<b>Present Value Of Defined Benefit Obligation at the beginning of the year</b>	101.30	92.60
Interest cost	5.72	5.73
Current service cost	12.19	14.15
Benefits paid	(8.54)	(17.65)
Past Service Cost	-	-
Actuarial (Gain)/ Loss on obligations- due to change in demographic assumptions	(0.09)	-
Actuarial (Gain)/ Loss on obligations- due to change in financial assumptions	7.74	4.58
Actuarial (Gain)/ Loss on obligations- due to change in experience	3.47	1.90
<b>Present value of obligation as at end of the year</b>	<b>121.79</b>	<b>101.30</b>
<b>ii) Change in fair value of Plan Assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	86.33	84.82
Expected return on plan assets	5.35	5.82
Contributions made	9.03	11.00
Benefits paid	(7.70)	(15.88)
Return on plan assets, excluding amounts included in interest (expense)/ income	1.56	0.57
<b>Fair value of plan assets at the end of the year</b>	<b>94.57</b>	<b>86.33</b>
<b>iii) Amount recognized in the Balance Sheet</b>		
Present value of the obligation as at end of the year	123.25	103.07
Fair value of plan assets as at end of the year	94.57	86.32
Net obligation as at end of the year	28.68	16.75
<b>Amount recognized in the Balance Sheet</b>	<b>28.68</b>	<b>16.75</b>
Net (asset)/liability recognized - Current	21.78	9.53
Net (asset)/liability recognized - Non current (Refer Note (i) below)	6.90	7.22
<b>iv) Expenses recognized in the Statement of Profit and Loss for the year</b>		
Current service cost	12.19	13.57
Net Interest on Net Defined benefit obligations	0.23	(0.10)
<b>Total expense included in employee benefit expenses</b>	<b>12.41</b>	<b>13.47</b>
<b>v) Recognized in Other Comprehensive Income for the year</b>		
Actuarial (Gain)/ Loss on obligations - due to change in demographic assumptions	(0.09)	-
Actuarial (Gain)/ Loss on obligations - due to change in financial assumptions	7.74	4.58
Actuarial (Gain)/ Loss on obligations - due to change in experience	3.47	1.89

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

**Note 29 : Disclosure as required under Ind AS 19 'Employee Benefits' (Contd.)**

**Defined Benefit Plan - Gratuity (Contd.)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Remeasurement - (return)/ loss on plan assets excluding amount included in net interest income	(1.57)	(0.55)
<b>Recognized in Other Comprehensive Income</b>	<b>9.55</b>	<b>5.92</b>
<b>vi) Actuarial assumptions</b>		
Discount rate - Current	5.80%	6.15%
Expected rate of return on plan assets	5.80%	6.15%
Salary Escalation - Current	8.30%	7.00%
Attrition rate	20.00%	18.00%
Discount rate for Expleo Solutions FZE as at March 31, 2021	0.98%	1.92%
Attrition rate for Expleo Solutions FZE as at March 31, 2021	1.50%	3.00%
<b>vii) Sensitivity Analysis</b>		
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
<b>Impact on defined benefit obligation</b>		
Delta effect of +0.5% Change in Rate of discounting	120.81	100.62
Delta effect of -0.5% Change in Rate of discounting	125.72	104.81
Delta effect of +0.5% Change in Rate of Salary Escalation	125.64	104.81
Delta effect of -0.5% Change in Rate of Salary Escalation	120.83	100.57
Delta effect of +0.5% Change in Rate of Employee turnover	122.82	102.48
Delta effect of -0.5% Change in Rate of Employee turnover	123.58	102.82
Methodology adopted for asset liability management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method
Refer note 29.2 (ii) below		
<b>viii) Maturity profile of defined benefit obligation</b>		
The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of gratuity is as follows:		
	<b>Rs. In Millions</b>	
<b>Projected benefits payables in future years from the date of reporting</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
1st Following year	21.08	16.38
2nd Following year	19.39	16.01
3rd Following year	17.95	15.00
4th Following Year	16.25	13.99
5th Following year	14.85	13.06
Sum of year 6 to 10 years	48.94	47.06
<b>ix) Category of Plan assets</b>		
Funds managed by the Insurer	100%	100%
<b>x) Risk exposure</b>		
This does not apply to the Company since it invests in the traditional plan of LIC, for which the underlying assets are not known to the policy holders.		

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021****Note 29 : Disclosure as required under Ind AS 19 'Employee Benefits' (Contd.)****Note 29.2 :**

- (i) The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans based on short term expected pay-outs in line with the actuary's recommendations.
- (ii) **Usefulness & methodology adopted for sensitivity analysis**

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not to be true on different count. This only signifies the change in the liability if the difference between assumed & the actual is not following the parameters of the sensitivity analysis.

**Note 30 : Financial Instruments- Fair Values and Risk Management**

- a) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**Rs. In Millions**

As at March 31, 2021	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through Other Comprehensive Income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>								
Security deposits - non current	-	-	19.27	19.27	-	19.91	-	19.91
Other non-current Financial Assets - Fixed Deposits with remaining maturity of more than 12 months	-	-	0.46	0.46	-	-	-	-
Trade receivables	-	-	607.70	607.70	-	-	-	-
Cash and cash equivalents	-	-	983.22	983.22	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	327.80	327.80	-	-	-	-
Security deposits - current	-	-	2.20	2.20	-	-	-	-
Loan given to Related Party	-	-	195.66	195.66	-	-	-	-
Interest accrued on fixed deposits	-	-	2.36	2.36	-	-	-	-
Interest accrued on Loan to a Related Party	-	-	2.54	2.54	-	-	-	-
Export Incentive Receivable	-	-	34.44	34.44	-	-	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

Note 30 : Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2021	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through Other Comprehensive Income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Unbilled Revenue	-	-	62.73	62.73	-	-	-	-
<b>Total</b>	-	-	<b>2,238.38</b>	<b>2,238.38</b>	-	<b>19.91</b>	-	<b>19.91</b>
<b>Financial Liabilities:</b>								
Lease Liability - Non Current	-	-	50.94	50.94	-	-	-	-
Lease Liability - Current	-	-	14.44	14.44	-	-	-	-
Trade payables	-	-	54.57	54.57	-	-	-	-
Other current financial liabilities	-	-	323.40	323.40	-	-	-	-
<b>Total</b>	-	-	<b>443.35</b>	<b>443.35</b>	-	-	-	-

Rs. In Millions

As at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through Other Comprehensive Income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>								
Security deposits - non current	-	-	18.33	18.33	-	19.13	-	19.13
Trade receivables	-	-	759.04	759.04	-	-	-	-
Cash and cash equivalents	-	-	789.92	789.92	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	82.55	82.55	-	-	-	-
Security deposits - current	-	-	5.01	5.01	-	-	-	-
Loan given to Related Party	-	-	46.83	46.83	-	-	-	-
Interest accrued on fixed deposits	-	-	0.76	0.76	-	-	-	-
Export Incentive Receivable	-	-	34.44	34.44	-	-	-	-
Unbilled Revenue	-	-	25.21	25.21	-	-	-	-
<b>Total</b>	-	-	<b>1,762.09</b>	<b>1,762.09</b>	-	<b>19.13</b>	-	<b>19.13</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 30 : Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through Other Comprehensive Income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities:</b>								
Lease Liability - Non Current	-	-	65.38	65.38	-	-	-	-
Lease Liability - Current	-	-	18.75	18.75	-	-	-	-
Trade payables	-	-	118.12	118.12	-	-	-	-
Other current financial liabilities	-	-	283.52	283.52	-	-	-	-
<b>Total</b>	-	-	<b>485.77</b>	<b>485.77</b>	-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the current year and previous year.

#### b) Measurement of Fair Value

The Group uses Discounted Cash Flow valuation technique (in relation to fair value of asset measured at amortised cost) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

#### c) Financial Risk Management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit and liquidity, which may impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

##### (i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk of existing customer is controlled by continuous monitoring of the collections trend of each customer on a periodical basis. With respect to a new customer, the Company uses an external/ internal sources to assess the potential customer's credit quality.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.



## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 30 : Financial Instruments- Fair Values and Risk Management (Contd.)

Credit risk on cash and cash equivalents is limited as the Group generally invests in Fixed deposits with banks having high credit ratings.

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is Rs.2,238.38 Million (Previous Year: Rs.1,762.09 Million) being the total of the carrying amount of trade receivables, cash and cash equivalents, other balances with banks, loans and other financial assets.

#### Trade Receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Before accepting any new customer, the Group uses an external/ internal source to assess the potential customer's credit quality. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

The following table gives the details in respect of the amount and percentage of trade receivables from a major customer:

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
Trade Receivables from a major customer	-	-
Percentage of Trade Receivables from a major customer	0%	0%

The movement in the expected credit loss allowance is as follows:

Particulars	Rs. In Millions	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at beginning of the year	0.02	0.34
Impairment loss provision created/ (reversed)	0.54	(0.32)
<b>Balance at end of the year</b>	<b>0.56</b>	<b>0.02</b>

#### (ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group exposure to market risk is primarily on account of foreign currency exchange rate risk.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 30 : Financial Instruments- Fair Values and Risk Management (Contd.)

#### a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD, EURO and GBP against the functional currency of the Group. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

#### b) Exposure in Foreign Currency (FCY) - Unhedged

Particulars	FCY	As at March 31, 2021		As at March 31, 2020	
		Amount in FCY (in Millions)	Amount in Rs. (in Millions)	Amount in FCY (in Millions)	Amount in Rs. (in Millions)
Trade Receivables	GBP	0.50	50.31	1.22	113.64
Trade Receivables	USD	2.75	202.04	3.01	227.10
Trade Receivables	EUR	2.48	214.22	2.97	246.49
Cash and Cash Equivalents	GBP	0.37	37.07	2.40	222.98
Cash and Cash Equivalents	USD	4.04	297.37	0.88	66.42
Cash and Cash Equivalents	EUR	5.70	490.87	2.73	226.48
Loans	GBP	1.00	100.95	0.50	46.83
Loans*	USD	-*	0.03	-*	0.03
Loans	EUR	1.10	94.71	-	-
Other Current Financial Assets	GBP	0.01	1.37	0.02	1.52
Other Current Financial Assets	USD	0.73	54.43	0.48	36.28
Other Current Financial Assets	EUR	0.12	10.56	-	-
Trade Payables	GBP	0.04	4.15	0.73	68.07
Trade Payables	USD	0.26	18.94	0.02	1.59
Trade Payables	EUR	0.22	18.37	0.18	14.60
Other Current Financial Liabilities	GBP	0.23	23.60	0.27	24.68
Other Current Financial Liabilities	USD	0.24	17.36	0.16	11.85
Other Current Financial Liabilities	EUR	0.87	59.54	0.34	28.37

#### Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

## Note 30 : Financial Instruments- Fair Values and Risk Management (Contd.)

## Sensitivity Analysis (Contd.)

Rs. In Millions

Particulars	Impact on profit after tax	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>GBP Sensitivity</b>		
INR/GBP - Increased by *	8.10	14.61
INR/GBP - decreased by *	(8.10)	(14.61)
<b>USD Sensitivity</b>		
INR/USD - Increased by *	25.88	15.82
INR/USD - decreased by *	(25.88)	(15.82)
<b>EUR Sensitivity</b>		
INR/EUR - Increased by *	36.62	21.50
INR/EUR - decreased by *	(36.62)	(21.50)

\* Holding all other variables constant

**b) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates to investments in short-term fixed deposits, which do not expose it to significant interest rate risk.

**(iii) Liquidity Risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Rs. In Millions

As at March 31, 2021	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non-Current</b>						
Other non-current financial liabilities - Lease Liability	50.94	50.94	-	15.38	35.56	-
<b>Current</b>						
Other current financial liabilities - Lease Liability	14.44	14.44	14.44	-	-	-
Trade Payables	54.57	54.57	54.57	-	-	-
Other Current Financial Liabilities - Others	323.40	323.40	323.40	-	-	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 30 : Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non-Current</b>						
Other non-current financial liabilities - Lease Liability	65.38	65.38	-	14.44	50.94	-
<b>Current</b>						
Other current financial liabilities - Lease Liability	18.75	18.75	18.75	-	-	-
Trade Payables	118.12	118.12	118.12	-	-	-
Other Current Financial Liabilities	264.77	264.77	264.77	-	-	-

#### Note 31 : Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders. The Group is not subject to any externally imposed capital requirements.

#### Note 32 : Employee Stock Option Plan

The Holding Company, Expleo Technology Germany GmbH, Germany had granted 20,000 stock options to senior employees of the Group in March, 2016. These options were to vest over a period of four years from the date of the grant i.e. March 18, 2016 and would be exercised within five years from the end of the vesting period i.e. May 31, 2025. The Holding Company did not charge any cost for this benefit.

During the Financial Year 2017-18 the shares of Expleo Technology Germany GmbH, got acquired by Assystems Services Deutschland GmbH including the stock options. This resulted in vesting of the aforementioned options on an accelerated basis and the stock options were exercised and settled in the previous year. There were no outstanding options at the end of the previous year and hence no contractual life of options outstanding at the end of March 31, 2021 and March 31, 2020. The opening balance of stock options as at April 01, 2017 and the options exercised during the year ended March 31, 2018 were 20,000 stock options. The weighted average price as at April 1, 2017 was Rs.418.27 and the exercise price was Rs.744.98.

#### Fair Value of options granted

The fair value of the option at the grant date of Rs.65.14 (GBP 0.685) has been determined as the difference between the weighted average of the share price at the date of grant as reduced by the exercise price.

The Exercise price of the stock option at the date of grant by Expleo Technology Germany GmbH Germany was determined as follows:

The Option Price was based on the average (mean) of the closing prices for Depository Interests of the Company (ISIN DE 005493514) on the AIM segment of the London Stock Exchange (hereinafter the "AIM Trading") determined in British Pound ("GBP") on the last 20 trading days preceding the day of the offer to subscribe ("Reference Price") minus a deduction of 15% from the Reference Price.

These stock options were accounted for as an equity settled share based payment transaction in the consolidated financial statements of the Group in accordance with Ind AS 102 'Share Based Payments'.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 33: Buy back

The Shareholders approved the proposal of Buyback of Equity Shares recommended by the Board of Directors, in its meeting held on January 31, 2019, through the postal ballot that concluded on March 28, 2019.

The buyback was offered to all eligible Equity Shareholders of the Company (other than the Promoters, the Promoter Group and Persons in control of the Company) under the tender offer route on a proportionate basis. The tender period for the buyback opened on May 30, 2019 and closed on June 13, 2019.

During the previous year, the Company had bought back and extinguished 4,60,896 Equity Shares at an average buyback price of Rs.550/- per equity share, constituting approximately 4.30% of the pre-buyback paid-up Equity Share Capital of the Company. The buyback resulted in Rs.261.11 Million (including Rs.7.60 Million towards transaction cost of buy-back) cash outflow. The Company funded the buyback from its free reserves (i.e. Securities Premium and Retained Earnings).

The Company had, in accordance with the provisions of Section 69 of the Companies Act, 2013, created 'Capital Redemption Reserve' amounting to Rs.4.61 Million equal to the nominal value of the shares bought back as an appropriation from Retained Earnings.

### Note 34 : Asset pledged as security

The Group has a bank guarantee facility with a bank which is secured by Fixed deposits of the Group, both present and future. There is no outstanding amount due on this account as at the end of the current year and the previous year.

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
<b>Current Financial Assets</b>		
<b>First Charge</b>		
Current Assets - Fixed deposits with Banks	10.00	10.00
<b>Total assets pledged as security</b>	<b>10.00</b>	<b>10.00</b>

### Note 35: Disclosure required under Ind AS 116 "Leases"

The Group has entered into operating leases for its office buildings. These leases have terms of 3 to 6 years. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2021 is Rs.65.38 Million (Previous Year: Rs.84.13 Million).

The Group used a practical expedient, and did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The lease payments associated with these amounting to Rs.4.22 Million (Previous Year: Rs.3.90 Million) are recognised as expenses on a straight line basis over the lease term.

**The movement in Lease Liabilities during the year ended March 31, 2021 is as follows :**

Particulars	Rs. In Millions	
	As at March 31, 2021	As at March 31, 2020
Opening Liability	84.13	101.30
Interest expenses	9.50	10.60
Payment of Lease Liabilities	(28.25)	(27.77)
<b>Closing Liability</b>	<b>65.38</b>	<b>84.13</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 35: Disclosure required under Ind AS 116 "Leases" (Contd.)

The Lease Liabilities amounting to Rs.65.38 Million (Previous Year: Rs.84.13 Million) comprises of Non-Current Lease liabilities of Rs.50.94 Million (Previous Year: Rs.65.38 Million) (refer Note 17) and current lease liability of Rs.14.44 Million (Previous Year: Rs.18.75 Million) (refer Note 19) as at March 31, 2021 . The contractual maturities of lease liabilities as of March 31, 2021 is disclosed in Note 30.

The incremental borrowing rates derived by a valuer, on the basis of the borrowing rate for each lease contract for the remaining life of the lease contract, adjusted with the credit profile of the Group, are used for each of the office buildings separately and the average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application ranges from 12.17% to 12.59%.

### Note 36 : Contingent Liabilities and Commitments

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a) Contingent Liabilities</b>		
(i) Claims against the Group not acknowledged as debt:		
Service Tax related matters	786.38	786.38
Income Tax related matters	118.71	116.07
(ii) Guarantees		
Counter Guarantees issued to the bank	5.80	3.09
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance)	11.61	1.67

The Service Tax Authorities had made a demand for Rs.329.14 Million along with interest and penalty for an equivalent amount, towards tax leviable for certain services rendered by the Group for the period April, 2011 to March, 2016. The Service Tax Authorities had also made a demand for Rs.126.90 Million along with interest and penalty of Rs.1.2 Million towards tax leviable for certain services rendered by the Group for the period April, 2016 to June, 2017. The Group has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) for both the demands and the Management expects its position to be upheld by the Authorities in respect of both the demands.

Contingent liabilities include demand from the Income tax authorities for payment of additional tax of Rs.156.70 Million (Previous Year: Rs.114.89 Million) for the fiscal years 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The tax demand is mainly on account of disallowance of a portion of the deduction claimed by the Group under Section 10A/10AA of the Income Tax Act and also other expenses disallowed. The Group has filed appeals before CIT (Appeals), ITAT and Madras High Court. The Group has also paid an amount of Rs.60.63 Million (after adjusting the refund of Rs.10.74 Million related to earlier years), towards the outstanding demand (under protest). The Management believes that its position in respect of all the years will be upheld by the Authorities.

During the year the Group has made an additional tax provision of Rs.6.58 Mn for the FY 2009-10 and also has made a payment under protest for the FY 2009-10 amounting to Rs.27.90 Million only for the issue pertaining to S. 10A of the Income Tax Act, 1961. The Group's management after discussion with the tax consultants decided to make the payment under protest for the S. 10 A Issue alone for the FY 2009-10 . The Group believes that for the FY 2009-10, the other issues will be in favour of the Group. The payment under protest was made to mitigate future interest on the S. 10A issue alone.

For the FY 2009-10, the management also evaluated the option of Vivaad se Vishwas scheme under the Income Tax Act, 1961. However, the management has decided to litigate further for the FY 2009-10.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 37 : Foreign Exchange Difference

The amount of exchange loss included in the Statement of Profit & Loss is Rs.25.31 Million (Previous Year: Gain of Rs.60.56 Million).

### Note 38 : Segment Information

The Company's Board of Directors along with its Chief Operating Decision Maker (CODM) examines the Group's performance and has identified a single reportable segment namely as "Software Validation and Verifications Services" related to banking, financial services and insurance industry. The Board of Directors primarily uses a measure of adjusted Earnings Before Interest and Tax (EBIT) and profit before tax to assess the performance of the operations.

The geographic information analyses the Group's revenue and Non-Current Assets by the Holding Company's country of domicile and other countries. The Holding Company is domiciled in India. In presenting the geographical information, revenue in the disclosure below is based on the geographic location where the service is rendered. Non-Current Assets other than financial instruments and deferred tax assets in the disclosure below are based on the geographic location of the Non-Current Assets.

The amount of the revenue from the external customer broken down by location of the customer and Non-Current Assets are shown in the tables below:

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sales revenue by geographical market</b>		
Within India	340.99	352.24
Outside India	2,667.95	2,341.80
<b>Total</b>	<b>3,008.94</b>	<b>2,694.04</b>

Rs. In Millions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Assets other than financial instruments and deferred tax assets by geographical market</b>		
Within India	341.15	328.32
Outside India	6.67	4.65
<b>Total</b>	<b>347.82</b>	<b>332.97</b>

Rs. In Millions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from major customers</b>		
Customers individually contributing more than 10% of total revenue	402.27	400.67
Other Customers	2,606.67	2,293.37
<b>Total</b>	<b>3,008.94</b>	<b>2,694.04</b>

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

**Note 39: Additional Information, as required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as subsidiaries**

Name of the entity	Net Assets i.e. total assets minus liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount (Rs. In Millions)	As % of consolidated profit or loss	Amount (Rs. In Millions)	As % of consolidated OCI	Amount (Rs. In Millions)	As % of TCI	Amount (Rs. In Millions)
<b>As at March 31, 2021</b>								
<b>Parent</b>	<b>79%</b>	<b>1599.60</b>	<b>90%</b>	<b>452.55</b>	<b>70%</b>	<b>(5.47)</b>	<b>90%</b>	<b>447.08</b>
<b>Subsidiaries</b>								
<b>Foreign</b>								
1) Expleo Solutions Pte. Ltd., Singapore	6%	122.29	4%	18.64	-	-	4%	18.64
2) Expleo Solutions Inc., USA	5%	112.36	0%	2.74	-	-	1%	2.74
3) Expleo Solutions UK Limited, UK	7%	149.32	5%	27.20	-	-	5%	27.20
4) Expleo Solutions FZE, UAE	3%	75.34	1%	3.28	30%	(2.33)	0%	0.95
<b>Sub-total</b>	<b>21%</b>	<b>460.01</b>	<b>10%</b>	<b>51.86</b>	<b>30%</b>	<b>(2.33)</b>	<b>10%</b>	<b>49.53</b>
Non-controlling interests in all Subsidiaries	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>100%</b>	<b>2018.63</b>	<b>100%</b>	<b>504.41</b>	<b>100%</b>	<b>(7.80)</b>	<b>100%</b>	<b>496.61</b>

Name of the entity	Net Assets i.e. total assets minus liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount (Rs. In Millions)	As % of consolidated profit or loss	Amount (Rs. In Millions)	As % of consolidated OCI	Amount (Rs. In Millions)	As % of TCI	Amount (Rs. In Millions)
<b>As at March 31, 2020</b>								
<b>Parent</b>	<b>86%</b>	<b>1,312.28</b>	<b>88%</b>	<b>349.68</b>	<b>108%</b>	<b>(4.67)</b>	<b>87%</b>	<b>345.01</b>
<b>Subsidiaries</b>								
<b>Foreign</b>								
1) Expleo Solutions Pte. Ltd., Singapore	2%	28.39	3%	13.79	-	-	4%	13.79
2) Expleo Solutions Inc., USA	1%	22.19	3%	11.75	-	-	3%	11.75
3) Expleo Solutions UK Limited, UK	12%	181.13	3%	13.75	-	-	3%	13.75
4) Expleo Solutions FZE, UAE	(1%)	(16.33)	3%	10.05	(8%)	0.34	3%	10.39
<b>Sub-total</b>	<b>14%</b>	<b>215.38</b>	<b>12%</b>	<b>49.34</b>	<b>(8%)</b>	<b>0.34</b>	<b>13%</b>	<b>49.68</b>
Non-controlling interests in all Subsidiaries	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>100%</b>	<b>1,527.66</b>	<b>100%</b>	<b>399.02</b>	<b>100%</b>	<b>(4.33)</b>	<b>100%</b>	<b>394.69</b>



## **Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

### **Note 40: Disclosures as required under Ind AS 24 'Related Party Disclosures'**

#### **a) Related Parties and their relationships:**

##### **(i) Ultimate Holding Entities:**

Ardian LBO Fund VI B  
Assystem SA, France

##### **(ii) Holding Company:**

Expleo Technology Germany GmbH

##### **(iii) Key Management Personnel (KMP):**

Balaji Viswanathan - Managing Director & CEO  
Prof. K. Kumar - Deputy Chairman & Independent Director  
Prof. S. Rajagopalan - Independent Director  
Rajiv Kuchhal - Independent Director  
Lilian Jessie Paul - Independent Director  
Ulrich Bäumer - Independent Director  
Martin Hodgson - Non-Executive Director (w.e.f. April 9, 2020 and upto March 31, 2021)  
Ralph Franz Gillessen - Non-Executive Director & Chairman (w.e.f. May 20, 2021)  
Olivier Aldrin - Non-Executive Director (upto July 15, 2020)  
Mr. Rajesh Krishnamurthy - Additional Director (w.e.f. September 01, 2020)  
Desikan Narayanan - Chief Financial Officer (CFO)  
Phani Tangirala - Senior Director - BFSI (KMP w.e.f. April 01, 2019)  
Stephen Magennis (w.e.f. from June 27, 2019)  
Trevor Luyt - Director (w.e.f. June 27, 2019)  
N Sriram - Director (w.e.f. April 1, 2018)  
Wolfgang Moll - Director (upto June 27, 2019)

##### **(iv) Fellow Subsidiaries:**

Expleo India Infosystems Private Limited  
Expleo Technology Egypt  
Expleo Technology UK Limited  
Expleo Netherlands B.V.  
Expleo Group Austria GmbH  
Expleo Technology USA Inc.

##### **(v) Consolidating Company**

Expleo Group SAS, France

##### **(vi) Entities under common control**

Expleo Services SASU, France  
Expleo France SASU, France  
Expleo Technologies India Private Limited  
Expleo South Africa (PTY) Limited

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 40: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

#### a) Related Parties and their relationships (Contd.):

Expleo Technology Ireland Limited  
 Expleo Stockholm AB  
 Expleo Engineering UK Limited  
 Expleo Canada Inc.  
 Expleo Iberia S.L.U

#### vii) Post employment benefit plan

Expleo Solutions Employees' Group Gratuity Scheme

#### b) Transactions with Related Parties

Particulars	Nature of Relationship	Name of the Related Party	Rs. In Millions	
			For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>				
<b>Income from Services rendered</b>	Holding Company	Expleo Technology Germany GmbH	16.31	7.61
	Fellow Subsidiary	Expleo India Infosystems Private Limited	1.41	2.81
	Fellow Subsidiary	Expleo Technology UK Limited	113.58	125.53
	Fellow Subsidiary	Expleo Group Austria GmbH	173.47	165.66
	Fellow Subsidiary	Expleo Technology USA Inc.	64.23	46.68
	Entities under common control	Expleo South Africa (PTY) Limited	18.47	16.19
	Entities under common control	Expleo France SASU, France	7.81	2.12
	Entities under common control	Expleo Technology Ireland Limited	245.86	193.35
	Entities under common control	Expleo Stockholm AB	-	1.31
<b>Interest on loan given</b>	Fellow Subsidiary	Expleo Technology UK Limited	-	1.13
	Entities under common control	Expleo Services SASU, France	6.44	-
<b>Expenses</b>				
<b>Managerial remuneration</b>	Key Management Personnel	Balaji Viswanathan	17.47	16.31
	Key Management Personnel	Desikan Narayanan	7.26	6.60
	Key Management Personnel	Phani Tangirala	10.67	10.08
<b>Director's Sitting Fees and Commission</b>	Key Management Personnel	Prof. K. Kumar	1.55	1.40
	Key Management Personnel	Prof. S. Rajagopalan	1.55	1.32
	Key Management Personnel	Rajiv Kuchhal	1.39	1.26
	Key Management Personnel	Ulrich Bäumer	1.25	0.96
	Key Management Personnel	Lilian Jessie Paul	1.41	1.16

**Notes to the Consolidated Financial Statements for the year ended March 31, 2021**

**Note 40: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)**

**b) Transactions with Related Parties (Contd.):**

**Rs. In Millions**

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Expenses for services rendered</b>	Holding Company	Expleo Technology Germany GmbH	1.45	6.16
	Fellow Subsidiary	Expleo India Infosystems Private Limited	6.37	16.31
	Fellow Subsidiary	Expleo Technology Egypt	2.08	-
	Fellow Subsidiary	Expleo Technology UK Limited	21.74	21.69
	Fellow Subsidiary	Expleo Netherlands B.V.	2.21	10.36
	Fellow Subsidiary	Expleo Technology USA Inc.	19.18	-
	Entities under common control	Expleo Services SASU, France	-	0.06
	Entities under common control	Expleo Iberia S.L.U	80.49	57.09
	Entities under common control	Expleo Canada Inc.	5.81	7.66
<b><u>Other Transactions</u></b>				
<b>Loan Given</b>	Fellow Subsidiary	Expleo Technology UK Limited	-	46.54
	Entities under common control	Expleo Services SASU, France	195.66	-
<b>Contribution paid to the Group Gratuity Scheme</b>	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme	9.03	11.00
<b>Buy back of shares</b>	Key Management Personnel	Rajiv Kuchhal	-	4.86
<b>Cost Reimbursement Received</b>	Holding Company	Expleo Technology Germany GmbH	-	1.46
	Fellow Subsidiary	Expleo India Infosystems Private Limited	0.04	0.12
	Fellow Subsidiary	Expleo Technology UK Limited	0.03	0.04
	Fellow Subsidiary	Expleo Group Austria GmbH	1.39	8.50
	Entities under common control	Expleo South Africa (PTY) Limited	-	2.28
	Entities under common control	Expleo Technology Ireland Limited	0.03	2.31
<b>Cost Reimbursement Paid</b>	Holding Company	Expleo Technology Germany GmbH	2.61	0.37
	Fellow Subsidiary	Expleo India Infosystems Private Limited	1.44	3.86
	Fellow Subsidiary	Expleo Technology Egypt	0.02	-
	Fellow Subsidiary	Expleo Technology UK Limited	7.61	1.98
	Fellow Subsidiary	Expleo Netherlands B.V.	0.54	-
	Fellow Subsidiary	Expleo Technology USA Inc.	1.44	1.41

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 40: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

#### b) Transactions with Related Parties (Contd.):

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
	Entities under common control	Expleo Technologies India Private Limited	1.94	2.36
	Entities under common control	Expleo South Africa (PTY) Limited	0.33	-
	Entities under common control	Expleo Services SASU, France	2.58	-
	Entities under common control	Expleo France SASU, France	26.02	-
	Entities under common control	Expleo Engineering UK Limited	0.13	-
	Entities under common control	Expleo Technology Ireland Limited	-	2.82

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2021	As at March 31, 2020
<b>Outstanding Balances</b>				
<b>Amounts Receivable from</b>	Holding Company	Expleo Technology Germany GmbH	-	4.79
	Fellow Subsidiary	Expleo India Infosystems Private Limited	0.02	0.75
	Fellow Subsidiary	Expleo Technology UK Limited	14.06	23.76
	Fellow Subsidiary	Expleo Group Austria GmbH	42.59	51.31
	Fellow Subsidiary	Expleo Technology USA Inc.	13.22	17.37
	Entities under common control	Expleo South Africa (PTY) Limited	5.52	12.08
	Entities under common control	Expleo France SASU, France	2.96	-
	Entities under common control	Expleo Technology Ireland Limited	47.57	60.73
<b>Amounts Payable to</b>	Holding Company	Expleo Technology Germany GmbH	1.44	1.83
	Fellow Subsidiary	Expleo India Infosystems Private Limited	2.44	6.76
	Fellow Subsidiary	Expleo Technology Egypt	2.10	-
	Fellow Subsidiary	Expleo Technology UK Limited	2.81	16.83
	Fellow Subsidiary	Expleo Netherlands B.V.	0.46	2.09
	Fellow Subsidiary	Expleo Group Austria GmbH	-	1.86
	Fellow Subsidiary	Expleo Technology USA Inc.	5.30	0.30
	Entities under common control	Expleo Technologies India Private Limited	0.18	0.17
	Entities under common control	Expleo South Africa (PTY) Limited	0.25	-

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

## Note 40: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

## b) Transactions with Related Parties (Contd.):

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2021	As at March 31, 2020
	Entities under common control	Expleo Services SASU, France	3.95	-
	Entities under common control	Expleo Iberia S.L.U	7.69	39.93
	Entities under common control	Expleo Canada Inc.	-	7.66
	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme	20.31	8.11
<b>Provision for expenses</b>	Key Management Personnel	Balaji Viswanathan	2.82	3.39
	Key Management Personnel	Desikan Narayanan	1.26	1.20
	Key Management Personnel	Phani Tangirala	0.56	0.52
	Key Management Personnel	Prof. K. Kumar	1.15	0.90
	Key Management Personnel	Prof. S. Rajagopalan	1.15	0.90
	Key Management Personnel	Rajiv Kuchhal	1.15	0.90
	Key Management Personnel	Ulrich Bäumer	1.15	0.90
	Key Management Personnel	Lilian Jessie Paul	1.15	0.90
<b>Outstanding Balances of Loan given</b>	Fellow Subsidiary	Expleo Technology UK Limited	-	46.54
	Entities under common control	Expleo Services SASU, France	195.66	-
<b>Interest Receivable on loan</b>	Fellow Subsidiary	Expleo Technology UK Limited	-	0.29
	Entities under common control	Expleo Services SASU, France	2.54	-

\*\* Denotes an amount less than Rs.5,000/-.

## Notes to the Consolidated Financial Statements for the year ended March 31, 2021

### Note 40: Disclosures as required under Ind AS 24 'Related Party Disclosures' (Contd.)

#### c) Details of relating to Compensation paid to Key Management Personnel (KMP)

Rs. In Millions				
Particulars	Nature of Relationship	Details	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Employee benefits expense</b>	Key Management Personnel	Short term benefits	35.40	32.99
		Post employment benefits***	-	-
		Other long term benefits***	-	-
		Termination benefits	-	-
		Share based payments	-	-
		<b>Total</b>		<b>35.40</b>

\*\*\* Remuneration to Key Management Personnel does not include charge for gratuity and compensated absences, as employee-wise breakup is not available.

#### Note 41: Previous Year Figures

Previous year's figures have been regrouped / reclassified so as to conform to the current year's classification.

#### Signatures to the Notes to the Consolidated Financial Statements.

##### For and on behalf of the Board

**RALPH FRANZ GILLESSEN**

Chairman

DIN : 05184138

Place : Cologne, Germany

Date : May 20, 2021

**BALAJI VISWANATHAN**

Managing Director & CEO

DIN : 06771242

Place : Bengaluru, India

Date : May 20, 2021

**DESIKAN NARAYANAN**

Chief Financial Officer

Place : Chennai, India

Date : May 20, 2021

**S. SAMPATH KUMAR**

Company Secretary & Compliance Officer

ICSI Membership No. F3838

Place : Chennai, India

Date : May 20, 2021



**Team Expleo Solutions at Ascent 2021**

## **Expleo Solutions Limited**

6A, Sixth Floor, Prince InfoCity II,  
No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR)  
Kandanchavadi, Chennai – 600 096, India  
T: +91 44 43923200



## EXPLEO SOLUTIONS LIMITED

Regd. Off: 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096  
TEL No: 044-4392 3200, Email: investor.expleosol@expleogroup.com, Web: www.expleosolutions.com CIN: L64202TN1998PLC066604

### NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of Expleo Solutions Limited will be held on Thursday, August 26, 2021 at 3.30 p.m., IST, through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt
  - a) The Audited financial statements of the Company for the financial year ended March 31, 2021 with the reports of the Board of Directors’ and Auditor’s thereon.
  - b) The Audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and Auditor’s Report thereon.
2. To appoint a Director in place of Mr. Balaji Viswanathan (DIN - 06771242) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 at this Annual General Meeting and being eligible offers himself for re-appointment.

#### **SPECIAL BUSINESS**

##### **3. Appointment of Mr. Rajesh Krishnamurthy (DIN - 08288884) as Non-Executive Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED that** pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Krishnamurthy (DIN - 08288884), who was appointed as an Additional Director by the Board of Directors of the Company with effect from September 1, 2020, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

“**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director and CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

##### **4. Re-appointment of Mr. Balaji Viswanathan (DIN 06771242) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution on as a **Special Resolution:**

“**RESOLVED that** pursuant to Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended, approval of the Members of the Company be and is hereby accorded for appointment of Mr. Balaji Viswanathan (DIN 06771242) as the Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company for a period of 3 years from September 01, 2021 to August 31, 2024 on the terms and conditions including remuneration, as per the agreement to be entered into by the Company with Mr. Balaji Viswanathan and as set out hereunder:



I.	Salary Compensation:	Rs. 187,51,425/- Annually split into Fixed and Variable Part as below:
a.	Fixed Pay:	Rs. 129,76,425/- Annually
b.	Variable Pay:	Rs. 57,75,000/- Annually
II.	Variable Pay:	The Variable compensation shall be based on the achievement of a set of parameters as may be decided by the Board of Directors of the Company or any Committee thereof from time to time.
III.	P e r f o r m a n c e Incentive:	The Performance Incentive shall be based on the achievement of a set of parameters as may be decided by the Board of Directors of the Company or any Committee thereof from time to time. The Performance Incentive amount for the period, is subject to the limit, not exceeding, as follows: FY – 2021-22 – Rs.2,190,900/- FY – 2022-23 – Rs.2,190,900/-
IV.	Commission:	Such percentage of net profits of the Company or such other quantum of the net profits of the Company as may be approved by the Board of Directors, at its absolute discretion, for each financial year, subject to the total remuneration in any financial year not exceeding the limits permitted from time to time under Section 197 read with Section 198 and Schedule V of the Companies Act, 2013, as amended from time to time.
V.	Payment of bonus:	Shall be eligible for bonus payment based on evaluation as per the criteria fixed by the Nomination and Remuneration Committee / Board of Directors and on their approval, subject to the overall limits specified by the Companies Act, 2013, as amended from time to time.
VI.	Perquisites:	In addition to the salary, Mr. Balaji Viswanathan will be entitled to the following perquisites:
	a.	Reimbursement of medical expenses covering medical treatment in India for self and family – Subject to ceiling of one month's basic salary per annum.
	b.	Premium for medical insurance under the group medical policy of the Company.
	c.	Fees, subscription and other incidental charges to clubs, subject to a maximum of two clubs including admission and life membership fee.
	d.	Payment of premium on personal accident insurance as per the Company policy.
	e.	Company's contribution to provident fund and pension / superannuation fund, as per the rules of the Company.
	f.	Gratuity as per the rules of the Company.
	g.	Provision of chauffer driven company car for use on Company's business purposes and use of car for private purposes will be dealt by the Company as per the applicable provisions under the Income Tax Rules, 1962 or any re-enactment thereof.
	h.	Telecommunication facilities at residence.
	i.	Perquisites shall be evaluated as per the Income-tax Rules, 1962 or any re-enactment thereof, wherever applicable. In the absence of any such rules, the perquisites shall be evaluated at actual costs.

VII.	Other Benefits:	
	a.	Leave encashment will be as per the policy of the Company.
	b.	Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
	c.	Such other benefits, amenities and facilities as may be provided by the Company to other senior executives from time to time.
	d.	Such other benefits, amenities and facilities including those under the Special Post Retirement Benefits Scheme as per the rules of the Company.
VIII.		The Board may revise the remuneration payable to the Managing Director & Chief Executive Officer, during any financial year, during currency of the tenure of office, in such manner as may be agreed to between the Board of Directors and the Managing Director & Chief Executive Officer subject to the condition that the total remuneration by way of salary, perquisites, commission, other allowances and other benefits, shall be within the limits permissible under Section 197 read with relevant Rules and Schedule V of the Companies Act, 2013, as amended.
IX.		Annual Increment: Mr. Balaji Viswanathan shall be entitled to annual increment of not exceeding 10% per annum, subject to evaluation by Nomination and Remuneration Committee and approval by the Board of Directors.
X.		Minimum remuneration In the event of any loss or inadequacy of profits for any financial year - the Board of Directors / Nomination and Remuneration Committee of the Board shall approve the remuneration payable to Managing Director & Chief Executive Officer, during such financial year, in such manner as may be agreed to between the Board of Directors / Nomination and Remuneration Committee of the Board and the Managing Director & Chief Executive Officer, however not exceeding the maximum limits specified in this behalf under Section 197 read with Schedule V to the Companies Act, 2013, as amended.
XI.		In the event of loss of office as Managing Director & Chief Executive Officer, the Managing Director & Chief Executive Officer shall be paid compensation in the manner and to the extent and subject to the limits or priorities prescribed under Sections 191 and 202 of the Companies Act, 2013, and the rules made thereunder, as amended.
XII.		The abovementioned remuneration allowed to the Managing Director & Chief Executive Officer shall be in accordance with Sections 196 and 197 read with Schedule V of the Companies Act, 2013, as amended, and / or such changes, variations and substitutions as may be made therein by the Central Government from time to time.
XIII.		The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied with the approval of Shareholders in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013, as amended, and / or the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.
XIV.		Mr. Balaji Viswanathan shall not be entitled to any sitting fee for meetings of the Board of Directors or Committee thereof attended by him during the said tenure.
XV.		Mr. Balaji Viswanathan shall exercise such of the powers as may be delegated from time to time by the Board of Directors.

XVI.		The period of office of Mr. Balaji Viswanathan shall be liable to determination by retirement of directors by rotation. If Mr. Balaji Viswanathan is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Managing Director & Chief Executive Officer and such reappointment as director shall not be deemed to constitute break in his appointment as a Managing Director & Chief Executive Officer.
XVII.		The appointment can be terminated by Mr. Balaji Viswanathan or by the Company, by either party giving to the other 6 (six) calendar months' prior notice in writing.
XVIII.		Mr. Balaji Viswanathan can resign from the above position before the conclusion of the service period, by giving the company 6 (six) calendar months' notice in writing or by obtaining prior approval of the Board of Directors. In such an event 'Compensation' as mentioned in clause XI above shall not be applicable.

**“RESOLVED further that** the Board of Directors of the Company be and is hereby authorized to vary and/or modify the terms and conditions of the Service Agreement that may be entered into including remuneration payable to Mr. Balaji Viswanathan in such manner as may be agreed between the Board of Directors and Mr. Balaji Viswanathan and within the limits as prescribed in Section 197 read with Schedule V of the Companies Act, 2013 including any amendment, modification, variation on or re-enactment thereof.”

**“RESOLVED further that** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Balaji Viswanathan, the remuneration mentioned in the above referred service agreement shall be paid to Mr. Balaji Viswanathan as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013, as amended from time to time.”

**“RESOLVED further that** any revision in the remuneration payable to Mr. Balaji Viswanathan shall be within the overall limits as approved by the Members in terms of this resolution and as recommended by the Nomination and Remuneration Committee to the Board of Directors for its approval, from time to time.”

**“RESOLVED further that** the Board of Directors of the Company, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

##### **5. Approval of Related Party Transaction:**

To consider, and if thought fit, with or without modification, to pass following resolution as **Ordinary Resolution:**

**“RESOLVED that** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time and subject to such approvals, consents, sanctions and permissions of any regulatory authority as may be necessary, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to enter into a contract(s) / arrangement(s) / transaction(s) with parties as detailed in the table forming part of the Explanatory Statement annexed to this notice with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing and rendering of any services, transfer of resources, services or obligations and appointment of agent

for purchase or sale of goods, materials, services or property, in any financial year, on the following terms and conditions:"

1	Name of the Related Parties	Expleo Group Entities as per list given in the Explanatory Statement.
2	Nature of Relationship	Holding Company, Fellow Subsidiaries and entities under common control.
3	Nature of Transactions	Sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property.
4	Value of Transactions by Expleo Solutions Limited with the entities collectively mentioned in Sl. No. 1 above	Upto INR 1,275 Million per annum
5	Value of Transactions by the entities collectively mentioned in Sl. No.1 above with Expleo Solutions Limited	Upto INR 1,275 Million per annum
6	Period	For every financial year

**“RESOLVED further that** the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.”

**“RESOLVED further that** the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”

**By order of the Board of Directors  
For Expleo Solutions Limited**

**S. Sampath Kumar**

Company Secretary & Compliance Officer

FCS No.3838

Place : Chennai

Date : July 9, 2021

**Notes:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No.02/2021 dated January 13, 2021, read with General Circular No.39/2020 dated December 31, 2020, read with General Circular No.20/2020 dated May 5, 2020 read with General Circular No.14/2020 dated April 8, 2020 read with General Circular No.17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Since the AGM is being held in accordance with the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. Corporate members intending to attend the meeting through their Authorized Representatives are requested to send a duly certified copy of the Board Resolution / Power of Attorney to the Company through e-mail to [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com) authorizing their representatives to attend and vote at the meeting.
3. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, and in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, electronic copy of the Notice of the 23rd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company’s website <https://expleogroup.com/expleo-solutions/financial/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
4. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No. 3 to 5 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM are also annexed.
5. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (the “Act”).
6. Participants, i.e. Members and other eligible persons to whom this notice is being circulated are allowed to submit their queries / questions etc. mentioning their name, DP ID and Client ID / Folio Number and Mobile Number at least 2 days before the AGM in advance to the e-mail address of the Company: [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com). Further, queries/ questions may also be posed concurrently during the AGM through VC / OAVM.
7. **Members, who would like to ask questions during the 23<sup>rd</sup> AGM with regard to the financial statements or any other matter to be placed at the 23<sup>rd</sup> AGM, need to register themselves as a speaker** by sending request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company’s email address [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com) at least 2 days before the start of the 23<sup>rd</sup> AGM i.e. by 24th August, 2021 by 3.30 p.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 23rd AGM, depending upon the availability of time.
8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
9. Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation, the Notice of the 23rd AGM and the Annual Report for the year 2020-21 including therein the Audited Financial Statements for the year 2020-21, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 23rd AGM and the Annual Report for the year 2020-21, can get their email address registered by following the steps as given below:
  - a. For Members holding shares in physical form, please send an email request mentioning your folio number, complete address, email address to be registered along with scanned

self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhaar) supporting the registered address of the Member, to the Company's email address [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com)

- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
10. Members and other eligible persons can attend this AGM through VC / OAVM atleast 15 minutes before the scheduled time and shall remain open until expiry of 15 minutes from the scheduled time. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, and Auditors who are allowed to attend the AGM without restriction on account of first come first served basis.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 20, 2021 to Thursday, August 26, 2021 (both days inclusive) for annual closing.
12. The information under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of the Director seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declaration for appointment / re-appointment.
13. Members whose shareholding is in the electronic mode are requested to direct change of address, nominations, e-mail ID notifications and update the savings bank account details with their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends through NACH / NEFT / RTGS facility by providing latest bank account details for prompt credit and for avoiding fraudulent encashment / loss in postal transit of dividend demand draft. Members holding shares in physical form are requested to advise any change in their residential address or bank mandates immediately to the Company / Cameo Corporate Services Limited.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the Company / Cameo Corporate Services Limited.
15. All documents referred to in the notice requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection in electronic mode by the Members by writing an e-mail to: [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com) during normal business hours on working days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.
16. In terms of requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as amended ("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consequent years to the IEPF account established by the Central Government. During the year, the Company had accordingly transferred 394 Equity Shares pertaining to Final Dividend for the Financial Year 2012-13 and 149 Equity Shares pertaining to Interim Dividend for the Financial Year 2013-14 to the IEPF Authority. Members who have failed to encash their dividend warrants/demand drafts pertaining to the financial years from 2013-14 to 2017-18 are advised to immediately send requests to Company / Registrar and Share Transfer Agent (RTA) to claim their dividends.

17. Any person whose shares has been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and after making an online application in form IEPF-5, copy of the same should be forwarded to the Company for verification of his claim.
18. The Company has uploaded the information in respect of the Unclaimed Shares Transferred to IEPF Authority in respect of the Final Dividend for the financial year 2012-13 and Interim Dividend for the Financial Year 2013-14 under “Investors Section” on the website of the Company, viz <https://expleogroup.com/expleo-solutions/corporate-governance/> - Transferred to IEPF.
19. Members holding shares in single name and physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form can be obtained from the Company / Cameo Corporate Services Limited.
20. SEBI vide its notification dated June 08, 2018 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly, as per the amended regulation transfer of shares or securities shall be mandatorily in demat form. Therefore, any request for effecting transfer of shares in physical form shall not be processed with effect from April 1, 2019 unless the shares are held in demat form. Only request for transmission and transposition in physical mode will be processed by the Company / RTA. In this regard, Members are requested to dematerialize / demat their shares or securities held in physical form.
21. All communications relating to shares may please be addressed to the Company’s Registrar and Share Transfer Agent at the following address:  
M/s. Cameo Corporate Services Limited  
'Subramanian Building',  
No.1, Club House Road, Chennai 600 002  
Tel : 044 – 2846 0390 / 044 – 4002 0700  
Email : [investor@cameoindia.com](mailto:investor@cameoindia.com)
22. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

**The procedure and instructions for e-voting are as follows:**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Monday, August 23, 2021 (9.00 a.m. IST) and ends on Wednesday, August 25, 2021 (5.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, August 19, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/ NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a> .



	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p>
	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user, follow the steps given below:

	<b>For Members holding shares in Demat Form other than Individual and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.</li> </ul>

Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field</li> </ul>
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- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Expleo Solutions Limited> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only:**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [vsureshpcs@gmail.com](mailto:vsureshpcs@gmail.com) or [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES / MOBILE NUMBERS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company at** [investor.expleosol@expleogroup.com](mailto:investor.expleosol@expleogroup.com). **RTA at** [investor@cameoindia.com](mailto:investor@cameoindia.com).
2. For Demat shareholders - Please update your Email ID & Mobile Number with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your Email ID & Mobile Number with your respective Depository Participant (DP) which is mandatory while e-Voting and joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738, 022-23058542 and 022-23058543).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, (CDSL), Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Other Instructions:**

- i) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- ii) The e-voting period commences on Monday, August 23, 2021 (9.00 a.m. IST) and ends on Wednesday, August 25, 2021 (5.00 p.m. IST) (both days inclusive). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Thursday, August 19, 2021, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iii) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date Thursday, August 19, 2021. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Any person, who acquires shares of the Company and becomes a member after despatch of the Notice but before the cut-off date for voting i.e. August 19, 2021, may kindly refer to the notice uploaded in the Company's website at [www.expleosolutions.com](http://www.expleosolutions.com) and website of National Stock Exchange of India Limited (NSE) at [www.nseindia.com](http://www.nseindia.com) and website of BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and CDSL's website at [www.evotingindia.com](http://www.evotingindia.com).
- iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- v) The Board of Directors has appointed Mr. V. Suresh, Company Secretary in Practice (Membership No. FCS-2969 and CoP No.6032), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vi) The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within 2 working days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.
- vii) The Results shall be declared either by the Chairman or by any Person authorized by the Chairman in writing and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- viii) Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website [www.expleosolutions.com](http://www.expleosolutions.com) and on the website of Central Depository Services Limited and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

## Annexure to the Notice

**INFORMATION AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING RE-APPOINTED / APPOINTED AND EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013.**

**Item no. 2: Re-appointment of Mr. Balaji Viswanathan(DIN 06771242) and**

**Item no. 4: Re-appointment of Mr. Balaji Viswanathan (DIN 06771242) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company:**

Mr. Balaji Viswanathan (Aged 49 years) is the Managing Director & CEO of Expleo Solutions Limited.

Mr. Balaji Viswanathan (DIN 06771242) joined the Board of Directors of the Company on September 1, 2018. He was re-appointed as Managing Director & Chief Executive Officer (Key Managerial Personnel) at the Board Meeting held on May 20, 2021, with effect from September 1, 2021 for a period of 3 years, subject to the approval of the Shareholders at the General Meeting. A notice has been received from a member proposing Mr. Balaji Viswanathan as a candidate for the office of Director of the Company under Section 160 of the Companies Act, 2013.

### **Profile of Mr. Balaji Viswanathan (DIN 06771242):**

Mr. Balaji Viswanathan is a Graduate in Science (B.Sc), Certified Associate of Indian Institute of Banking and Finance (CAIIB) and Intermediate course of the Institute of Cost Accountants of India (ICAI). He comes with 28 years of professional experience in the financial services and ITES domain of which 16 years have been in the Financial Services Industry and 10 years in the Outsourcing / Offshoring of Financial Services. His last assignment was as Senior Director in charge of Global Delivery for BFSI services at Concentrix which is a large Customer Services and Process outsourcing organisation, a Fortune 500 company listed on the NYSE.

Mr. Balaji Viswanathan also worked with Serco, Reliance Jio Payments Bank, Yes Bank and HDFC Bank across Sales, Product Management and Operations, from where he garnered strong domain knowledge of Core Banking Systems, Cards, Transaction Switching apart from being responsible for operations and technology for South Asia at Master Card International.

During the financial year 2020-21, Mr. Balaji Viswanathan has attended 4 (Four) meetings of the Board. The remuneration last drawn by Mr. Balaji Viswanathan is Rs.174,70,207/- per annum.

Companies / Body Corporate (other than Expleo Solutions Limited) in which Mr. Balaji Viswanathan holds directorships and committee memberships are as under:

Directorships:

1. Expleo Solutions Pte. Limited, Singapore
2. Expleo Solutions INC., USA
3. Expleo Solutions FZE., UAE
4. Expleo Solutions UK Limited, UK

### **Chairman & Member of Board Committees:**

None

Approval of the Members is being sought for the re-appointment of Mr. Balaji Viswanathan as Managing Director and CEO and approving the terms of appointment recommended by the Nomination and Remuneration Committee in their meeting held on May 19 & 20, 2021 and Board of Directors in their meeting held on May 20, 2021.

Mr. Balaji Viswanathan does not hold any equity shares in the Company, including shareholding as a beneficial owner. Further, Mr. Balaji Viswanathan is not related to any other Director and other Key Managerial Personnel of the Company.

The terms and conditions of re-appointment along with the details of remuneration sought to be paid are set out in the special resolution in Item No.4 to the Notice.

The Statement containing additional information as required in Section II of Part II of Schedule V to the Companies Act, 2013:

I	General Information																		
	(a) Nature of Industry	The Company is engaged in providing software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide.																	
	(b) Date or expected date of commencement of commercial production	The Company carries on providing software validation and verification services since incorporation.																	
	(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable																	
	(d) Financial performance based on given indicators	<p>As per Audited Standalone Financial Results for the year ended March 31, 2021: (Rs. in Millions)</p> <table border="1" data-bbox="560 1038 1469 1389"> <thead> <tr> <th data-bbox="560 1038 1102 1123">Particulars</th> <th data-bbox="1102 1038 1286 1123">Year ended 31.03.2021</th> <th data-bbox="1286 1038 1469 1123">Year ended 31.03.2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1123 1102 1208">Revenue from operations and other income</td> <td data-bbox="1102 1123 1286 1208">3,058.30</td> <td data-bbox="1286 1123 1469 1208">2,761.70</td> </tr> <tr> <td data-bbox="560 1208 1102 1261">Profit/(Loss) after Tax</td> <td data-bbox="1102 1208 1286 1261">452.55</td> <td data-bbox="1286 1208 1469 1261">349.49</td> </tr> <tr> <td data-bbox="560 1261 1102 1347">Net Worth (including balance in Profit and Loss Account)</td> <td data-bbox="1102 1261 1286 1347">1,599.60</td> <td data-bbox="1286 1261 1469 1347">1,152.52</td> </tr> <tr> <td data-bbox="560 1347 1102 1389">Earnings Per Share</td> <td data-bbox="1102 1347 1286 1389">44.14</td> <td data-bbox="1286 1347 1469 1389">33.73</td> </tr> </tbody> </table>			Particulars	Year ended 31.03.2021	Year ended 31.03.2020	Revenue from operations and other income	3,058.30	2,761.70	Profit/(Loss) after Tax	452.55	349.49	Net Worth (including balance in Profit and Loss Account)	1,599.60	1,152.52	Earnings Per Share	44.14	33.73
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Earnings Per Share	44.14	33.73																	
	(e) Foreign Investments or collaborations, if any.	<p>As on March 31, 2021, the Shareholding of Promoter, Foreign Nationals and Foreign Portfolio Investors is as under:</p> <table border="1" data-bbox="560 1513 1469 1851"> <thead> <tr> <th data-bbox="560 1513 1102 1598">Particulars</th> <th data-bbox="1102 1513 1286 1598">No. of Shares</th> <th data-bbox="1286 1513 1469 1598">% to total shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 1598 1102 1683">Expleo Technology Germany GmbH (SQS Software Quality Systems AG)</td> <td data-bbox="1102 1598 1286 1683">57,58,804</td> <td data-bbox="1286 1598 1469 1683">56.17</td> </tr> <tr> <td data-bbox="560 1683 1102 1768">Foreign Nationals (Non Resident Indians)</td> <td data-bbox="1102 1683 1286 1768">2,56,931</td> <td data-bbox="1286 1683 1469 1768">2.51</td> </tr> <tr> <td data-bbox="560 1768 1102 1851">Foreign Portfolio Investors (Include Alternative Investment Fund)</td> <td data-bbox="1102 1768 1286 1851">1,54,581</td> <td data-bbox="1286 1768 1469 1851">1.51</td> </tr> </tbody> </table>			Particulars	No. of Shares	% to total shares	Expleo Technology Germany GmbH (SQS Software Quality Systems AG)	57,58,804	56.17	Foreign Nationals (Non Resident Indians)	2,56,931	2.51	Foreign Portfolio Investors (Include Alternative Investment Fund)	1,54,581	1.51			
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Foreign Portfolio Investors (Include Alternative Investment Fund)	1,54,581	1.51																	

<b>II</b>	<b>Information about the appointee:</b>							
	(i) Background details	Profile of Mr. Balaji Viswanathan furnished in Item no. 4 of the Explanatory statement annexed to this notice.						
	(ii) Past remuneration	<table border="1" data-bbox="560 317 1117 459"> <thead> <tr> <th data-bbox="560 317 794 370">Financial Years</th> <th data-bbox="794 317 1117 370">Amount (Rs. Millions)</th> </tr> </thead> <tbody> <tr> <td data-bbox="560 370 794 412">2019-20</td> <td data-bbox="794 370 1117 412">16.31 per annum</td> </tr> <tr> <td data-bbox="560 412 794 459">2020-21</td> <td data-bbox="794 412 1117 459">17.47 per annum</td> </tr> </tbody> </table>	Financial Years	Amount (Rs. Millions)	2019-20	16.31 per annum	2020-21	17.47 per annum
Financial Years	Amount (Rs. Millions)							
2019-20	16.31 per annum							
2020-21	17.47 per annum							
	(iii) Recognition or awards	<p>Mr. Balaji Viswanathan, Managing Director, is recognised as “The Most Promising Business Leader of Asia” by ET Edge.</p> <p>Under the dynamic leadership of Mr. Balaji Viswanathan, Managing Director, the Company has won awards - IBSI Global FinTech Innovation Awards 2020 for DevOps and Best Quality Assurance / Quality Engineering Execution.</p>						
	(iv) Job profile and his suitability	<p>Mr. Balaji Viswanathan, Managing Director &amp; CEO of the Company, is highly experienced and controls the affairs of the Company as a whole under the direction of the Board of Directors of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has extensive experience in the Software Testing and Digital Services industry. He is actively involved in international markets, business strategy, business development functions of the Company.</p> <p>The growth in the Company’s operations can to a large extent be attributable to the dynamism and relentless efforts of Mr. Balaji Viswanathan. Various new initiatives have been taken to increase the growth and profitability of the Company. Based upon his qualification and expertise, Mr. Balaji Viswanathan will be best suited for the responsibilities assigned to him by the Board of Directors of the Company.</p>						
	(v) Remuneration proposed	<p>Salary Compensation:  Rs.187,51,425/- Annually split into Fixed and Variable Part as below:  Fixed Pay: Rs.129,76,425/- Annually  Variable Pay: Rs.57,75,000/- Annually  More details are furnished in Special Resolution Item No.4</p>						
	(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into consideration the size of the Company, the profile of Mr. Balaji Viswanathan, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid commensurate with the remuneration being paid by the companies comparable size in the industry in which the Company operates.						



	(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.	Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel or other directors of the Company.
<b>III Other Information:</b>		
	(a) Reasons of loss or inadequate profits	Not applicable. The Company has reported a Net Profit after Tax of Rs.452.55 Millions on a standalone basis for the financial year ended March 31, 2021.
	(b) Steps taken or proposed to be taken for improvement	The steps taken by the Company has been earning profits consistently on standalone basis and it is expected to do well in future.
	(c) Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to increase its presence in software testing and digital services space across various industries, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to further improve its financial performance in the coming years.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Mr. Balaji Viswanathan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the Special Resolution set out at Item No.4 of the Notice.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Regulation 17(11) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, the Board recommends the Special Resolution set out at item no.4 of the accompanying Notice for the approval of the Members.

Pursuant to Section on 190 of the Companies Act, 2013, as amended, a copy of the draft Service Agreement referred to in the Resolution would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to Thursday, August 26, 2021.

**Item no. 3: Appointment of Mr. Rajesh Krishnamurthy (DIN - 08288884) as Non-Executive Director.**

Mr. Rajesh Krishnamurthy (DIN - 08288884) (Aged 51 years) is the Additional Director of the Company. He joined the Board of Directors of the Company on September 1, 2020.

In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Krishnamurthy being eligible and offering himself for appointment, is proposed to be appointed as Non-Executive Director of the Company. A notice has been received from a member proposing Mr. Rajesh Krishnamurthy as a candidate for the office of Director of the Company under Section 160 of the Companies Act, 2013.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rajesh Krishnamurthy as a Non-Executive Director. Accordingly, in terms of Regulation 17(11) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board recommends the Ordinary resolution in relation to the appointment of Mr. Rajesh Krishnamurthy as a Non-Executive Director, whose appointment is liable to retire by rotation, for the approval by the shareholders of the Company.

Except Mr. Rajesh Krishnamurthy, being an appointee, and Mr. Ralph Franz Gillessen, Chairman, Non-Executive Director, a Nominee Director of Expleo Technology Germany GmbH, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.3. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and details as required under Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2).

**Profile of Mr. Rajesh Krishnamurthy (DIN - 08288884):**

Mr. Rajesh Krishnamurthy joined Expleo Group as Chief Executive Officer on July 15, 2020. He will accelerate Expleo Group strategic transformation roadmap, with a strong focus on digitalizing its services and scaling its global delivery capabilities. Prior to that, Rajesh was Chief Technology and Transformation Officer for the CMA CGM Group, the French container transportation and shipping leader since February 2018. He was mandated to harness organizational change to embrace digital transformation and drive new growth. He was responsible for Group IT, digital and shared services centres across the globe.

Rajesh, a Bachelor in Electronics Engineering from the University of Pune, India started his career in 1992 at Infosys, a global IT and consulting major and was an integral part of the Infosys success story and growth. In Infosys, he was President of company's business focused on the Energy, Utilities and Telco markets. He was also responsible for the European region and Infosys Global Consulting organization.

Mr. Rajesh Krishnamurthy does not hold any equity shares in the Company, including shareholding as a beneficial owner. Further, Mr. Rajesh Krishnamurthy is not related to any other Director and other Key Managerial Personnel of the Company. Since his date of appointment, Mr. Rajesh Krishnamurthy has attended one Board Meeting held on May, 20, 2021. He does not draw any remuneration from the Company.

Mr. Rajesh Krishnamurthy does not hold directorships and committee memberships in any other Companies / Body Corporate other than Expleo Solutions Limited

Mr. Rajesh Krishnamurthy (DIN - 08288884), was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from September 1, 2020 and who holds office up to the date of this Annual General Meeting.

**Item no.5 - Approval of Related Party Transaction:**

Pursuant to Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein except with the consent of the Board of Directors given by a resolution at a meeting. Similarly, irrespective of quantum of paid up share capital, no Company shall enter into any contract or arrangement with a related party for sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property exceeding ten percent or more of the turnover of the Company except with the consent of the Board of Directors given by a resolution at a meeting and prior approval of shareholders. However, approval requirements as stipulated under Section 188 shall not apply to any transaction entered into by the Company which are entered in its ordinary course of business and are at arm's length.

All related party transactions, though exempted under Section 188(1) of the Companies Act, 2013, have to be approved by the Members by way of a resolution in case such transactions are of material nature, i.e. the transaction exceeds 10% of annual consolidated turnover as per the last audited financial statements of the company, under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, if the transaction(s) with a related party exceeds 10% of annual consolidated turnover of the Company as per latest audited financials, then such transaction shall be classified as material related party transaction and requires approval of the shareholders by way of an ordinary resolution. Since, all the related parties are part of Expleo Group, as a better corporate governance practice, the Company proposes to club transaction(s) with all the related parties for purpose of calculating materiality of related party transaction(s) and seek your approval for such related party transactions, proposed to be entered into, by the Company with related parties as mentioned hereunder, by way of an **Ordinary resolution**.

**List of Related Parties - (Group Entities)**

S. No.	Name of Entities
1	EXPLEO SERVICES SASU, FRANCE
2	EXPLEO FRANCE SASU, FRANCE
3	EXPLEO ENGINEERING UK LTD, UK
4	EXPLEO IBERIA SL, SPAIN
5	GROUP EXPLEO TECHNOLOGY BELGIUM SPRL, BELGIUM
6	EXPLEO CANADA, CANADA
7	EXPLEO TECHNOLOGIES INDIA PVT LTD, INDIA
8	EXPLEO TECHNOLOGY GERMANY GmbH, GERMANY
9	EXPLEO TECHNOLOGY UK LTD, UK
10	EXPLEO GROUP AUSTRIA GmbH, AUSTRIA
11	EXPLEO TECHNOLOGY IRELAND LTD
12	EXPLEO SOUTH AFRICA (PTY) LTD, SOUTH AFRICA
13	EXPLEO NETHERLANDS B.V., NETHERLANDS
14	EXPLEO STOCKHOLM AB, SWEDEN
15	EXPLEO TECHNOLOGY EGYPT, EGYPT
16	EXPLEO INDIA INFOSYSTEMS PRIVATE LIMITED, PUNE, INDIA
17	EXPLEO TECHNOLOGY USA

In the Annual General Meeting dated May 4, 2018, the Company had obtained approval for limit of INR 975 Mn. each for availing and rendering of services of related parties from Shareholders. This is for the transaction between the Company and its wholly owned subsidiaries on one part and Expleo Group, its holding, subsidiary & associated entities on the other part. However, the resolution set out in Item No.5 of this Notice doesn't include the transaction by wholly owned subsidiaries of the Company with the group companies. The proposed change is to align with the regulatory requirement under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, where the transaction by subsidiaries with their related parties are not considered. However, the transactions between the wholly owned subsidiaries and their related parties i.e Expleo Group entities has been approved and monitored by the Audit Committee and Board of Directors of the Company on a quarterly basis.

The particulars of the proposed transaction pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

(a)	Names of the related parties	The list as given above.
(b)	Name of the director or Key Managerial personnel who is related	Mr. Ralph Franz Gillessen, Chairman and Non-Executive Director and Mr. Rajesh Krishnamurthy, Additional Director (Non-Executive).
(c)	Nature of relationship	Holding Company, Fellow Subsidiaries and entities under common control.
(d)	Price	As may be mutually discussed and on arm's length basis.
(e)	Nature, material terms and particulars of the contract or arrangement	The Contract will be for sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property and will be valid for 3 years from the date of entering into the contract and shall be renewed thereafter, subject to approval of Audit Committee and the Board of Directors.
	Value of Transactions by Expleo Solutions Limited with the entities collectively mentioned in Sl. No.(a) above	Upto INR 1275 Million Per Annum
	Value of Transactions by the entities collectively mentioned in Sl. No.(a) above with Expleo Solutions Limited	Upto INR 1275 Million Per Annum
(f)	Any other information relevant or important for the members to make a decision on the proposed transaction	The transactions will be before sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property.

Pursuant to Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, the nature of transactions with the related parties is provided in the said resolution. The Audit Committee has approved the above said transactions and recommended to the Board. The Board has approved the same and recommends the Resolution set out at Item No.5 of the Notice for approval by the Members.

The members are further informed that none of the related parties irrespective of whether the entity is a party to the above said transaction shall be entitled to vote on this ordinary resolution.

Except Mr. Ralph Franz Gillessen, Chairman and Non-Executive Director, who is on the Board of Expleo Technology Germany GmbH and Mr. Rajesh Krishnamurthy, Additional Director (Non-Executive), who is associated as Chief Executive Officer with Expleo Group SAS, France and its group companies, no

other Directors and / or Key Managerial Personnel of the Company and / or their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No.5 of the Notice. The Board recommends the Ordinary Resolution set out at item no.5 of the accompanying Notice for the approval of the Members.

**By order of the Board of Directors  
For Expleo Solutions Limited**

Place : Chennai  
Date : July 9, 2021

**S. Sampath Kumar**  
Company Secretary & Compliance Officer  
FCS No.3838