EXPLEO SOLUTIONS LIMITED

Registered Office: 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4,

Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096

RECORDING TRANSCRIPT

27th ANNUAL GENERAL MEETING

Date of Meeting	**:**	**Thursday, August 21, 2025**
Time	**:**	**3.30 P.M. (IST)**
Place	**:**	**Thro' Video Conferencing (VC) or Other Audio-Visual Means (OAVM)**

Moderator (CDSL): Good Afternoon all. For smooth conduct of the 27th Annual General Meeting (AGM), all the lines of the shareholders will be in listen only mode. The audio and video of the speaker shareholders will be enabled once they are invited to speak at the time of Q&A session by the Chairperson / Company Secretary and Compliance Officer. The proceedings of the AGM are being recorded, and the transcript will be uploaded on the website of the Company after the AGM concludes. Now, I hand over the proceedings to the Chairperson. Over to you Sir.

Ralph Gillessen: I welcome the Shareholders of the Company to the 27th Annual General Meeting through Video Conference / Other Audio-Visual Means.

The AGM of the Company is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI.

Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. Our Company Secretary has confirmed that the requisite quorum is present. I declare that the meeting is in order.

He introduced his colleagues on the Board, CFO and the Company Secretary, who are present in this video conference.

Ralph Gillessen: Mr. Rajesh Krishnamurthy, Non-Executive Director and Ms. Shalini Kamath, Independent Director of the Company could not attend the meeting due to personal reasons.

I acknowledge the attendance of the Statutory Auditors, Deloitte Haskins & Sells (Deloitte), Chartered Accountants and Secretarial Auditors, Alagar Associates LLP (Alagar), Company Secretaries in Practice, who have joined this meeting.

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and cast their votes electronically. Members who have not cast their votes yet and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system. I thank all the members, colleagues on the Board, auditors and the management team for joining this meeting over video conference. I hope all of you are safe and are in good health.

The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangement has been made available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to investor.expleosol@expleogroup.com. As the AGM is being held through video conference, the facility for appointment of proxies by the members is not applicable and hence, the proxy register for inspection is not available.

As required under Section 108 of the Companies Act, 2013, and the Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided opportunity for the Members to cast their vote electronically on all the resolutions set forth in the Notice of

AGM. In order to enable those shareholders who are present in this meeting and who have not exercised remote E-Voting, the Company is providing an opportunity to cast their vote electronically during the Meeting. The electronic voting facility will remain open and available upto 15 minutes after conclusion of this meeting to enable the eligible members to exercise their votes. There will be no voting by show of hands.

The notice has been circulated to all the Members along with the Annual Report of the Company for the Financial Year 2024-25 electronically. Hence, with the consent of the members present, we can take the Notice of the AGM as read.

The Auditor's Report for the year ended March 31, 2025, does not contain any qualification, observation or comments on financial transaction or matters, which have any adverse effect on the functioning of the Company. Therefore, as per Section 145 of the Companies Act, 2013, the Auditor's Report need not be read.

The Secretarial Audit Report issued by the Company Secretary in Practice, also does not contain any qualification, observation or comments and therefore it is need not be read.

Both Auditor's Report on standalone and consolidated financial statements and Secretarial Audit Report forms part of the Annual Report circulated to members.

I request Mr. S. Sampath Kumar, Company Secretary, to brief the shareholders on the regulatory aspects of the meeting.

Sampath Kumar: Thank you Chairperson. Good afternoon to all of you!

Members may note that this Annual General Meeting is being held through video conference in accordance with the provisions of Companies Act, 2013, and circulars issued by the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 09/2024 dated September 19, 2024, issued by Ministry of Corporate Affairs and Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, issued by SEBI permitted the holding of the Annual General Meeting ("AGM") through Video Conference (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The facility to attend this meeting through video conference or other audio-visual means is made available to the members on a first-come-first-served basis.

The Annual Report of the Company for the financial year 2024-25 along with the Notice has been sent by electronic mail to the Shareholders of the Company on time as required under Section 101 and 102 of Companies Act, 2013, read with Rule 18 of Companies (Management and Administration) Rules, 2014, and the amendments thereto and in line with the MCA circulars and SEBI circulars, to consider and approve the items in Ordinary Business and Special Business as listed out in the Notice of AGM sent to the Shareholders of the Company.

In terms of the Regulation 44 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 108 of the Companies Act, 2013, and Rule 20 of Companies (Management & Administration) Rules, 2014, and amendments thereto, it is mandatory to extend to the shareholders of the Company, the facility to vote on the items on all the resolutions set forth in the Notice of AGM by electronic means. The Company has, as mentioned in the Notice of AGM, engaged the services of Central Depository Services (India) Limited to provide opportunity to the Members to do remote E-Voting which was open from 9.00 a.m. IST on August 18, 2025, to 5.00 p.m. IST on August 20, 2025.

The Company has enabled the e-voting facility during the AGM for members who have not voted through remote e-voting and who are present at the AGM and are otherwise not barred from doing so. Kindly follow the instructions mentioned in the Notice of AGM. The e-voting facility will close after 15 minutes from conclusion of the AGM.

Mr. V. Suresh, Senior Partner, (Membership No. FCS 2969 and CP No. 6032) and failing him Mr. Udaya Kumar K R, Partner (Membership No. F11533 and CP No. 21973) of V. Suresh Associates, Practising Company Secretaries, is appointed as Scrutinizer to scrutinize the Remote E-Voting Process and the E-Voting facility at the AGM in a fair and transparent manner.

I draw the attention of the Members that the Company has received questions up to August 18, 2025 @ 6.30 p.m. IST from the Members with regard to the financial statements or any other matter placed at the 27th AGM. Also, the Company has received request from some members by registering themselves as a speaker to ask questions during the 27th AGM, depending upon the availability of time. The Company will provide 3 minutes for each speaker who has registered with the Company to ask questions during the 27th AGM. We request the speaker members to restrict the questions only pertaining to the Notice of 27th AGM and Annual Report 2024-25. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

Members are requested to refer to the Instructions provided in the notice for seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers.

The Results of the Voting including remote E-Voting along with scrutinizer's report would be placed on the website of the Company and also on the website of Central Depository Services (India) Limited by August 23, 2025, and shall also be submitted to the Stock Exchanges.

Thank you, Chairperson.

Ralph Gillessen: Thank you, Sampath.

Ralph Gillessen: Dear Shareholders,

It gives me great pleasure to share with you the progress we have made at Expleo Solutions Limited (ESL) over the past year - a year defined by strategic clarity, resilient execution, and forward-looking innovation. Our continued focus on industry diversification, combined with the design of value-driven digital services, has enabled us to generate the revenue of €114.7 million.

This milestone was achieved not by chance but by design. We added twenty new customers across geographies and verticals, reaffirming our market relevance and trusted execution capabilities. Our digital services contributed significantly, now accounting for 48.1% of our total revenue, as clients increasingly turn to us for support across application modernisation, digital resilience, automation, AI, cloud, and much more.

Engineering and quality: Our bedrock

Our core is built on engineering excellence and an unshakable dedication to digital assurance. As businesses navigate rapid digital transformation, our clients rely on us not only to accelerate change - but to do so reliably, securely, and on scale. Our engineering led delivery model, underpinned by rigorous quality protocols, ensures every product is built right the first time. This discipline has allowed us to be the guardians of trust for complex systems across industries - whether it is ensuring financial platforms are compliant and secure or enabling automotive software to function flawlessly. Our quality first approach remains one of the strongest differentiators in a fast-moving technology landscape.

Driving strategic growth across sectors and geographies

Our diversification strategy has seen strong momentum. Today, we proudly serves a growing client base across the banking, financial services, and insurance (BFSI), enterprise tech, automotive, aerospace, defence, retail, education, and transportation sectors. Each sector brings unique challenges and opportunities. Our ability to translate domain understanding into scalable technology outcomes is why clients across industries continue to rely on us.

In the United States, one of our fastest-growing markets, we are investing in scaling our presence and building robust digital capabilities. With AI, data governance, and digital assurance at the forefront of client agendas, our solutions are opening new doors. It is a long-term commitment, and we are equipping ourselves with the people, platforms, and partnerships to expand our footprint meaningfully in the Americas.

I am proud to share that we have formally established our KSA (Kingdom of Saudi Arabia) entity, marking a pivotal step in our Middle East strategy. As one of the fastest-digital economies, KSA presents exciting opportunities, and our commitment to local talent, compliance, and delivery is already gaining recognition.

Empowering people and strengthening culture

A strong Company is built on the strength of its people. I am delighted to report that our employee engagement continues on a positive trajectory, with Great Place to Work® recognition for the fourth consecutive year. We believe that happy employees create happy clients. Our CSAT scores of 85% reflect this, with a multi-year trend that mirrors our internal engagement data.

We have also seen a notable improvement in talent retention, with attrition rates lowering year-over-year, even in a highly competitive market.

Leading with innovation and AI

Innovation is not a department at ESL - it is a mindset. Our Innovation Jam programme, now in its edition ten, has unlocked cross-functional collaboration and seeded real-world solutions that are now being implemented with clients.

We have also aligned our investments in Artificial Intelligence under four strategic themes that help our clients navigate the future:

Starting with Capability modernization- Transforming our offerings to embed AI, automation, and data-first thinking. Followed by Delivery modernisation – Driving efficiencies with AI-augmented models, supported by Talent modernisation – Equipping our workforce with AI-readiness through curated training, certifications, and experimentation and finally followed by Process efficiency – as part of our transformation agenda, we are reimagining our internal processes using AI and automation to create value at scale.

Diversity, equity, and inclusion (DE&I) remains a cornerstone of our culture. Our "Women at Expleo" initiative is enabling more women to take on leadership and strategic roles. From mentoring circles to STEM investments to return ship programs, we are investing in dedicated weekend hiring drives exclusively for women to strengthen an inclusive workplace where everyone can thrive.

Recognitions and client successes

Our client-centricity continues to be recognised. This year, we were honoured to win joint awards with clients such as Union Bank of the Philippines and Mashreq, celebrating the impact of collaborative innovation. We have also received accolades and appreciation from clients and partners, including Arab National Bank, Collibra, and MetricStream - a testament to our long-standing commitment to delivering excellence. Recognition from outside validates the impact we are creating within.

Looking ahead

As we look forward, our focus will remain steadfast on:

- Building momentum in existing business through diversification of services and effective key account management.

- Propelling growth by focusing on strategic growth markets like the USA and the Middle East.

- Leveraging data, AI and GenAI innovations for growth and profitability.

- Enhancing operational efficiency and boosting margins.

With a strong foundation, a passionate team, and bold ambitions, I am confident that Expleo Solutions Limited is well positioned to lead in the next chapter of global digital transformation.

Thank you for your trust and continued support.

Ralph Gillessen: We now move on to the first item of the AGM Notice,

<u>Ordinary Business:</u>

1. For consideration and adoption of

a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, with the reports of the Board of Directors' and Auditors' thereon.

b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, and Auditor's Report thereon.

Objective and Implication of the Resolution:

As per Section 129 of the Companies Act, 2013, the Standalone Financial Statements of the Company for the financial year shall be laid before the Annual General Meeting. In addition to it, if the Company has one or more subsidiaries, the Consolidated financial statements of the Company for the financial year shall also be laid before the Annual General Meeting for consideration and adoption.

The Annual Audited Accounts have already been circulated to the members for their consideration.

The resolution is to be passed as an Ordinary Resolution.

2. Next, Item No.2 is to ratify the payment of interim dividend of Rs.50/- (500%) per equity share of the face value of Rs.10/- for the financial year 2024-25.

The next Item No. 2 of the Notice of AGM is for ratifying the payment of interim dividend of Rs.50/- (500%) per equity share of the face value of Rs.10/- for the financial year 2024-25.

Objective and Implication of the Resolution:

During the financial year 2024-25, the Company has declared an Interim Dividend of Rs. 50/- per equity share (500% on face value of Rs. 10/- each) on February 06, 2025, which was paid on February 27, 2025, to the shareholders holding shares of the Company as on February 12, 2025.

As per Section 123(3), it empowers the Board of Directors to declare an interim dividend during any financial year. The interim dividend can be declared any time before the closure of the financial year or before the AGM. The Company seeks ratification of the payment of Interim Dividend in this Annual General Meeting.

The resolution is to be passed as an Ordinary Resolution.

3. Next, Item No.3 of the Notice of AGM is for re-appointment of Mr. Rajesh Krishnamurthy (DIN – 08288884) as Director.

Objective and Implication of the Resolution:

As per Section 152(6) of Companies Act, 2013, 1/3rd of the directors to retire by rotation every year. For the purpose of computing the number of directors to retire by rotation, the Independent Directors are excluded. In this Annual General Meeting, one director will have to retire by rotation and being eligible for reappointment can be re-appointed. The identification of a person to retire by rotation is determined based on the seniority of date of appointment.

Accordingly, this year, Mr. Rajesh Krishnamurthy retires by rotation and being eligible, offered himself for re-appointment as a Director in this Annual General Meeting.

As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information in respect of Mr. Rajesh Krishnamurthy seeking re-appointment as a Director forms an integral part of the notice of the Annual General Meeting.

The resolution is to be passed as an Ordinary Resolution.

<u>SPECIAL BUSINESS</u>

4. Next, Item No.4 of the Notice of 27th AGM is to appoint M/s. Alagar & Associates LLP (formerly known as M/s. Alagar & Associates), Company Secretaries as Secretarial Auditors.

Objective and Implication of the Resolution:

Pursuant to the requirement of amended Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall appoint a Practicing Company Secretary to issue Secretarial Audit Report (Secretarial Audit) for a term of five years subject to approval of shareholders in the Annual General Meeting.

M/s. Alagar & Associates LLP (formerly known as M/s. Alagar & Associates), Company Secretaries (Firm Registration No. L2025TN019200), Peer Review Certificate No. 6814/2025, had expressed their consent to act as Secretarial Auditors of the Company and had also confirmed that they meet with all the eligibility criteria.

After evaluating and considering various factors such as industry experience, competence of the audit team, efficiency in conduct of audit and independence, the Board of Directors of the Company ('Board') has, based on the recommendations of the Audit Committee, proposed the appointment of M/s. Alagar & Associates LLP (formerly known as M/s. Alagar & Associates) as Secretarial Auditors of the Company with effect from April 1, 2025, for a period of 5 years ending with the audit for the financial year 2029-30.

The resolution is to be passed as an Ordinary Resolution.

As stated earlier, some Members have registered their name with the Company to speak at the AGM. They can ask any question pertaining to any item on the Notice of 27th AGM and the Annual Report 2024-25 now. Members are requested to keep their questions brief and specific. The moderator will facilitate the shareholders registered for speaking to ask their questions. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time. To avoid repetition, answers to all the questions will be provided towards the end.

Now, I request Mr. S. Sampath Kumar, Company Secretary, to proceed with the Q&A session.

S. Sampath Kumar: Thank you, Chairperson. We shall now proceed with the Q &A session. Please mention your name, DP ID and client ID Number and the location from where you are joining. Each shareholder will have three minutes for their questions. To avoid repetition, the Board will respond to all the questions at the end. Once you have asked question, you can mute and continue to watch the proceedings.

Question Session

S. Sampath Kumar: I now request Mr. Faisal Zubair Hawa to unmute himself and kindly proceed with the questions.

Moderator (CDSL): Mr. Faisal, can you unmute and ask your questions.

Periakaruppan Palaniappan (Mani): In case Mr. Faisal is not able to join, we have got the questions before through email, we can go ahead and answer them towards the end.

Faisal Zubair Hawa: Can you hear me now? I was not able to unmute myself. I have bunch of questions.

Phani Tangirala: Can you ask only additional questions on top of the questions which you have already submitted?

Faisal Zubair Hawa: I'll do that sir. So, one is that how many acquisition targets did we look at during this year itself and can somebody from the independent Board of Directors actually reply to me that why it was rejected from the Board of Directors, the acquisitions in spite of us having sufficient amount of cash on books.

What kind of companies are we looking at? Are these product companies or services companies? I had a privilege of having a meeting with the CEO on Zoom call once previously and he did mention to me that of a very good insight that Expleo has in that they would like to now mine the data for most of the customers that they are having and instead of continuously now employing more software engineers for coding etc. So, have you made any organizational or an operational progress on this to implement this insight into actual sales for us.

Third is that many times the Independent Directors ask questions on Capital Allocation. So, can someone from Independent Directors also answer as to what kind of questions were raised on Capital Allocation for this year itself? Because we did have an interim dividend for which we were expecting a final dividend and that did not come through suddenly, so if that could also be answered.

Sir, out of the total outsourcing that is done by Expleo from Germany, between Poland, Morocco and India, what is the kind of proportionate division there is?

And, now that our 2026 target of employees is definitely not going to be fulfilled, do we now have any kind of revenue target at least in front of us and how are we setting the KRA's and the KPI's of the CFO as well as the CEO with respect to achieving those targets? Even this question was not answered to me last time also, so if you could answer this question in detail today.

Many of the directors do not attend the meetings, so what is the reason behind it and are we having any kind of mechanism to make this right? One more thing is that the conference call of the Company with investors are not very regular, they are sporadic. So, can we have any method so that the conference calls are much more regular? How do we now see the ER&D space emerging for us? Do you think that if coding becomes much more commoditized due to AI and ChatGPT, we could have some kind of mission critical work done in ER&D? And particularly we are also lucky that at least Europe now seems to be going into some kind of a better investment.

Moderator (CDSL): Mr. Faisal, sorry to interrupt could you please run through the question bit fast?

Faisal Zubair Hawa: Okay, so with Europe emerging much more as a spender on Defence and Aerospace, can we have some kind of a benefit there also?

What is the Company's long-term vision (3–5 years) in terms of revenue targets, market diversification, and service evolution?

What is the revenue, EBITDA, and PAT growth targets for FY 2025–26 and FY 2026–27?

With the shift in the onsite-offshore ratio, what margin expansion or operational efficiency improvements does the management anticipate?

What are the client acquisition targets for FY 2025–26, and how does the Company plan to reduce dependence on Group Company revenues (~34%)?

Could you share the current status of the order book and future revenue visibility?

What percentage of revenues is currently derived from AI/automation-enabled services and proprietary platforms like Sophia and Teresa?

How does the Company plan to scale up the newly formed KSA subsidiary, and what is the expected contribution from the Middle East region?

Are there any new verticals or geographies (such as ESG tech, healthcare, or telecom) being explored for entry?

Are there any monetisation plans or third-party deployment of Expleo.ai or Sophia in the near future?

What is the major R&D initiatives planned, and are there any patents or IP filings underway?

Will the ₹50/- share dividend policy be continued going forward? Are there any plans for a bonus issue or buyback?

How does the Company balance between Capex for growth, shareholder returns, and M&A?

What tangible ESG performance indicators is the Company targeting in FY ’26 (carbon footprint, diversity ratio, etc.)?

How is ethical AI governance being institutionalised as adoption of GenAI tools increases?

Despite strong financials, headcount declined, and attrition rose — what are the plans to improve talent retention and hiring in FY ’26?

How is the workforce being reskilled in AI and digital technologies, and are there partnerships with academic or edtech institutions?

What is our gender ratio presently and how are we improving it?

This question is particularly addressed to Mr. Ralph, if there's one thing that you truly believe in for Expleo and the business, what is that one thing and which you are not able to really get the others in your team to believe in?

Yeah, that's all.

S. Sampath Kumar: Thank you Mr. Hawa. Now, I will move on to next speaker, Mr. Prabhjot Singh Sahni.

I request Mr. Prabhjot Singh Sahni to unmute himself and proceed with your questions.

Moderator (CDSL): Sir, Mr Prabhjot Singh Sahni has not joined, so we can move to the next speaker.

S. Sampath Kumar: Okay, thank you Karthik. Next speaker is Mr. Manjit Singh, kindly unmute yourself and proceed with the questions.

Moderator (CDSL): Sir, Mr Manjit Singh has also not joined, so we can move to the next speaker.

S. Sampath Kumar: Next speaker is Mr. Sunil Galada, kindly unmute yourself and proceed with the questions.

Moderator (CDSL): Mr. Sunil Galada, please ask your question.

Sunil Galada: Good evening to all. Dividend is good but can be better. It is the right time for the Company to think of bonus or rights issue. I request the Company to hold a hybrid meeting and excellent AGM book well-presented and last hospitality to the registered shareholders who have attended the meeting. Thank you so much.

S. Sampath Kumar: Thank you Mr. Sunil.

Now, I request Mr. Hardik Indramal Jain to unmute yourself and proceed with the questions.

Moderator (CDSL): Mr. Hardik, you can ask your questions.

Hardik Indramal Jain: Am I audible? What part of our revenue is from testing, automation and digital services?

Phani Tangirala: In case you are reading out the same questions that you have submitted, you don't have to.

Hardik Indramal Jain: Sure, just need one clarification, apart from the questions I have submitted. I was reading somewhere that there's a concern because I think large part of our revenue comes from the testing services and because of this advent of AI and automation, there is a threat to this business that most of our clients will, you know, use AI and automation to do the testing in house. So, what is your take on it? Is that concern is valid or not? what is your take on it?

How much of the revenue in FY ’25 was from repeat business and how much of it was like one time in nature?

We are growing around 5 to 6% annually, what are the reasons for such a low growth rate and what are we doing to grow the business faster?

What part of revenue is from testing, automation and digital services for FY ’25 & FY ’24 separately. Which part of the business is growing fastest, and which one is slowest?

Any update on Indian markets on GCC side- we were working with 22 GGCs in India, any in roads have we made in this?

Deal pipeline or any bid pipeline do we have, basically what I want to understand is how do we source clients or orders, what is our typical sales strategy, if you could through some light on this?

What exactly we plan to cater in AI to our customers – can you help us understand with some examples of kind of work that we have are doing or have done for our clients, what typically is the size of orders that we get in AI, what is the typical margins that we make in AI business, on the AI business whom do we compete with. Who are our customers? What is the addressable market size for us. Who leads our AI team, if you can give us some background about the AI team, the leaders the CXO's there.

We have a Partnership with Siemens Team center; can you tell us what is this about and how does this help us?

Are we looking at any acquisitions in the near future, if so, what kind of acquisitions would this be and how much do we intend to spend on acquisitions?

We have given a loan of INR 115 crores to a related party, Expleo Services SASU, France - Can you throw some light for what purpose this loan is given and what is the repayment timeline and other terms of the loan?

What is your view on our margins? Do you think we have a scope to improve our margins from here, if yes then what would be the levers which would drive our margins?

We have incurred a cost of INR 108 crores in other expenses towards external consultant cost, can you help us understand what exactly this cost is?

Is our business order book driven, If yes what is our current order book and if you could split this business segment wise like – testing/ automation and digital, what would be the execution timeline and how much of this would be the repeat orders?

Our margins dropped significantly in Q1 FY '26, if you could help us understand what led to this drop and how do we see the margins going ahead?

Our debtor days are pretty high, what are your thoughts about it?

Phani Tangirala: These questions are already part of the questions sent, we will answer that at last.

S. Sampath Kumar: Thank you Mr. Hardik.

Now, I request Mr. ASPI Bamanshaw Bhesania to unmute yourself and proceed with the questions.

ASPI Bamanshaw Bhesania: Sir, can you call me in another 5 minutes, I am talking in another AGM, if possible.

Moderator (CDSL): Sir, I think Mr. ASPI is attending another AGM, we can call him once again after your answers given for other questions with the permission of Chairperson and Company Secretary.

S. Sampath Kumar: So, we have only one more speaker to go through. In case if he's able to join by the time we can take it up. Otherwise, we will answer his questions separately.

Then we will move on to next speaker Mr. Keshav Garg, can you please unmute yourself and proceed with your questions.

Keshav Garg: Yeah, I have sent across list of my questions so can you please answer all of them point by point.

Phani Tangirala: Question which you have already raised will be answered. Apart from that if you have anything you can ask.

Keshav Garg: Apart from that in Q1 FY ’26, our EBITDA margins fell to 12% from 15% so what was the reasons for this? Are we still targeting 16% to 18% EBITDA margin in FY26?

What is the outlook for FY ’26 & FY ’27 in terms of topline & bottom-line?

How come our foreign exchange outgo during the year increased by 50% to Rs. 443 crores in FY ’25 vs Rs. 305 crores in FY ’24 & 3x from Rs.150 crores in FY ’23, despite cumulative revenue growth of 13.5% between FY ’23 & FY ’25?

Why has our domestic business halved from Rs.224 crores in FY ’23 to Rs.116 crores in FY ’25?

Why did our revenue from external customers (non-promoter group) revenue shrink YOY in absolute terms?

What is the Sale of Product revenue ~ Rs.8.1 crores in FY ’25 vs Rs. 6.7 crores in FY ’24 & what is this expected to be in FY ’26 & going forward?

Expenses for services rendered : Expleo Technology UK Ltd ~ Rs.7.5 crores in FY ’25, Rs.9.5 crores in FY ’24 vs NIL in FY ’23 Expleo Technology USA Inc ~ Rs.5 crores in FY ’25, Rs.3.3 crores in FY ’24 vs NIL in FY ’23 Expleo Iberia S.L. ~ Rs.9.2 crores in FY ’25 vs Rs.11 crores in FY ’24 vs NIL in FY ’23 Expleo Portugal, Lda ~ Rs.6.8 crores in FY ’25 vs Rs.5.5 crores in FY ’24 vs NIL in FY ’23.

What is the expected CAGR revenue over the next 5 years?

What are the constraints in scaling up our business? What is the risk of AI making our business obsolete?

Any plans to expand workforce in Tier 2 & 3 cities in India like Coimbatore, Vizag etc. to reduce our wage expense?

Are our branch offices in the Philippines, Belgium, Israel and Malaysia, breaking even?

Why has our EBITDA reduced from Rs.200 crores in FY ’23 to Rs.166 crores in FY ’25, when the industry has shown moderate growth in profitability during this period?

Why did our EBITDA margin decline to 11% during Q1 FY ’26?

Does Expleo Group have any other subsidiaries in India except for this listed entity?

Why have you loaned out shareholders’ funds worth Rs.115 crores in FY ’25 vs Rs.47 crores in FY ’24, to Group co’s - Expleo Services SASU, France, where we are hardly getting any interest?

Why have we stopped buyback despite having Rs.230 crores net cash?

Why did our Q1 FY ’26 OPM decline sharply qoq from 16% to 11%?

Why has our receivable days increased to > 84 days vs ~ 60-70 days for the industry & what is the scope to reduce the same?

What sustainable steady state EBITDA margin can we expect going forward?

Why are our margins amongst the lowest & receivables amongst the highest in the industry?

Even after sacrificing margins by ~ 600-700 bps & despite deterioration in working capital, why has our revenue growth been modest?

What is the OPM in Digital business, Group business, India business and Product business?

How much % of revenue do we plan to spend on travel & marketing over the next 2-3 years?

What is the USP of our Company?

What is our employee strength as on date & what is the scope for further rationalization?

When was the last pay rise for our employees, what was the % increase & when is the next wage increase due & what % increase is it expected to be?

Have we been able to collect receivables > 6 months ~ Rs.10.7 crores vs Rs.12 crores YOY?

Why have our payable days shrunk from 104 days in FY ’23 to 67 days in FY ’25?

Why did contingent liabilities increase by 30% YoY to Rs.130 crores in FY ’25 vs Rs.100 crores in FY ’24 & Is there any cash outflow expected on Rs.130 crores of liabilities?

S. Sampath Kumar: Thank You, now I request Ms. Swechha Jain to unmute yourself and ask questions.

Moderator (CDSL): Ms. Swechha Jain, you can unmute yourself and ask your questions.

Swechha Jain: Can you hear me Sir? I have a few questions. First, I just want to understand what our strategy and roadmap for Saudi Arabia and Dubai. How many people are we planning to hire there and exactly who is going to drive this space? How much do we plan to invest there and what exactly we are planning for there?

Secondly, I want to understand what exactly do we do in AI business? So, if you could just explain in depth, because as you mentioned in your commentary and in your annual report, 48% of our business is from AI now, so if you could just elaborate in detail what exactly our AI business entails?

In the US, I think we are doing some bit of business in the QSR part. So, I want to understand what exactly and how you see the growth prospects for the QSR business on the US side?

That's all from my side.

S. Sampath Kumar: Thank you Madam.

Moderator, can you check Mr. ASPI is available otherwise we will proceed with replying to the questions.

Moderator (CDSL): Mr. ASPI, Can you ask your questions, please.

ASPI Bamanshaw Bhesania: Yes, sir, thank you for giving me opportunity to speak. So, in Q1FY26 our top and bottom line have reduced year on year and quarter on quarter. What is our plan to increase our revenue?

Sir, please do not give Bonus or Split of shares, just keep on increasing our price so that we can compete with MRF, which is again from Chennai, South. And sir, I am pleased to know that Tamil Nadu is the fastest growing state in India. So, you are in right place.

How much % of revenue is coming from Testing? Can Testing be impacted due to AI in future?

Thank you very much and all the best for your future.

S. Sampath Kumar: Chairperson with this, we can conclude the question session from all the shareholders. I now hand you over back.

Ralph Gillessen: Thank you Sampath. Thank you members for all your questions and we will now begin to answer all the questions asked in this meeting and I would like to ask Mr. Phani to start with the answers. Following which, I think then we will look deeper into the numbers, the figures with our CFO, and there were even a few questions for the Independent Directors to answer.

Phani Tangirala: Thank you, Chairperson. For the smooth running of this Q&A replies we have grouped those questions that we have received, clubbed the repeats, and we consolidated and so it may not add one on one, but it should definitely address each and every question that has been asked.

The first set of questions are primarily related to the revenue side like what is the long-term vision for the next three to five years in terms of revenue targets, market diversification, service elevation, etc. From that point of view, I think given the current geopolitical or macroeconomic conditions, if any of those doesn't come into as a hindrance, we are seeing the Northeast, North America and the Middle East markets are looking extremely positive, and we can see double digit growth in the next three to five years in those areas.

When it comes to the diversification, like how the Chairperson has mentioned, we are focused on selected industries, and we are planning to diversify our services within those industries and not really adding new industries at this point of time. But from the existing industries, two industries are certainly standing out, which are not our top two industries, but they are having the highest growth which is defence and life sciences. So, that will be from industry point of view and from a service point of view, like what again Chairperson has mentioned. The digital services are picking up at a rapid pace and they have 48% share of the total revenues and that we are continuing to see us surge in the months or years to come.

There was also a question on the Quarter- 1 (“Q1”), FY 2026 numbers which probably is not within the purview of this AGM and also the question has quoted a wrong EBITDA for Q1. I'll skip directly on that, but definitely the year Q1 has started with a lower because of operational cost but we shall recover on that.

There is also one question on the onsite offshore mix and how is that impacting the efficiencies, operational efficiencies and what are the improvements in that. So, with the expansion focused on the Middle East and USA, these countries come with a mix of margin and some of the margin pressure is offset because we have taken extensive actions in order to reduce the bench and that is helping us. At the same time, Middle East as a region, is highly onsite driven, which has significantly changed after the COVID, but it has gone back, so the onsite presence is significantly increased in the Middle East area, and we continue to see that at least the next couple of years. But the good news about that is we don't have any onsite bench, I mean it is almost near zero when it comes to that and we should have a very minimal impact on EBITDA. So, to answer the question on what the impact on that is, I think the impact on EBITDA because of shift from offshore to onsite is negligible.

There was also a question on the acquisition targets for FY 2025-26 and how does the Company plan to reduce the dependency on Group, client acquisition targets and the Group Company revenue. I definitely want to say that Group is the biggest client for Expleo Solutions, and we are in no mood to reduce that. In fact, it is counter productivity. These are fixed at pricing rates and comes with extremely low overheads in terms of management and other things. So, it is in the interest of this organization that the Group business grows. Having said that in any case, any way it doesn’t mean that the direct business is not important, we are focusing extensively on the direct markets, and you see like what Chairperson also have mentioned, we have added in FY 2024-25, twenty-five new customers. But generally, these customers start with a lower revenue in the 1st year and pick that up as the year's flow. From that point of view, the customer acquisition has been good and the current 34% of our Group business, if it grows up with the overall revenues going up, I'll be very happy on that and no intention to reduce the Group dependency on this.

Another question was on what percentage of revenues is currently derived from AI automation services and proprietary platforms like Sophia and Teresa. This is a good question, but we are not productizing our AI deliveries, and these are in a very advanced stage, and they serve us in multiple ways. One is our AI solutions are totally embedded into our service delivery. I will cover that a little bit more when addressing specific questions on AI. As more questions have been asked on what exactly we do on AI. There you would realize that we are a services company and continue to be on our services, but our services are propelled with accelerators like Sophia and Teresa, which by focusing these capabilities, there is a door opening and there is an appetite to give business to us and then using these things there is an efficiency brought in which is back translated to the end customer. We don't use it as a license fee or as a fee for using the tool. They are totally integrated with our solutions and hence I can't give a direct answer on what the percentage of revenues because of that, but be industry, be it development, be it data services, be it quality engineering, every aspect of our services are now impacted with AI and we have embedded these accelerators to deliver faster and cheaper to the end customer.

There is another question about how much of the revenue for FY 2025 was from the repeat business and how much it is one time in nature. So, typically, our projects are, if you look at the top 20 accounts or the customers, we draw 64% of our revenue from those top 20 customers. I am really proud to say that in these top 20 customers, more than 15 are as long as 15 years running with us. Some of them are as long as 25 years running with us. If you have to ask for repeat business, there are projects which keep coming and going till we finish the projects, but another project comes in and that continues. It is not like testing business or the application development business or even on the data is not like you sign multiyear contracts, but the relationship is in decades in many of these accounts, so that answers the repeat business part of it.

There are also on the revenue front few questions on whether we are growing at 5 to 6% annually and what are the reasons for such lower growth? I would like to take this slightly differently, and one is if you compare to some of our peers, the market continues to be sluggish, but I really don't want to ride on that. Let me tell you that within the sectors that we operate, be it banking financial services, life sciences services and retail services are in double digit growth. The bigger setback we have seen is the auto industry continuing to go into trouble even for a consecutive second year. So, we have plans to overcome that this year and we will reduce the dependency on the markets which are continuing to go down and we'll put energy into the sectors that will take us like life sciences and defense. There are two sectors which are extremely promising and the regions like what the Chairperson has mentioned are the Middle East and the US where we have seen significant growth.

I would also like to answer one question on the Quick Service Restaurant ("QSR") in United States of America (USA). The quick service restaurant business is really big in the USA and that is where we have the largest QSR company in the World, as our customers and the question that was asked is what is that we are doing for them. For this QSR Company in the US, we have been providing data governance, responsible AI and AI-enabled data steward, where Agentic AI is being used as a replacement for data stewards, this is what we have been doing for that company. This hits all the points right for us because data and AI are the most emerging services. The USA is the biggest market for that. That answers the question on what we are doing in the USA, especially on the QSR, and we have also done a significant investments this year and we have done many campaigns on QSR and we have done it not just for USA, as a region, but we have done also for APAC, India and the Group also has done one for the European region. QSR needs to be catching up because they sit on massive loads of data and mining really is key for them. At the same time, the responsible AI is also critical for them, that fix every box, that is why we have to significantly invest there.

There was a question on how much of the revenue is coming from testing, automation, digital services for FY 2024 and FY 2025 and which part of the business is growing fast, and which is small? To answer this, we started initially as a pure play test player, which means a hundred percent of our revenue always comes from testing, I mean I am talking about several years back and then we diversified, added new services and expanded into software development or application development data and likewise. As a whole, I would say that testing is around 28% and digital like what chairman has mentioned, is at 48% that includes automation and hyper automation, and engineering is at 24%. I would say one of the fastest growing, undoubtedly, is digital, and we expect that pie to increase much more in the years and months to come and the slow is, I will put as engineering, primarily because of auto industry.

There is a question on the GCC front on what we are doing on the GCC front. The GCC market as I updated even in the investors' call, on the last two occasions. Since the investor call reference has come, I don't think we have skipped any of the investors' calls so far. We have investors call at every alternate board meeting and I've been in this organization for so long, we have never missed, and they are never sporadic as mentioned by one of our investors, they are on time, and we do take those calls. We, beyond the investors' calls, also do entertain some of those requests to talk to us. Getting back to the question on the GCC, we are working with GCC's and one of the major thing is major GCC's are setting up and they are starting with the capability movement on the HR side, supply chain side, finance side and then onto the innovation and software development. On the first three, we are not there and that is not our core strength, and we don't even want to go there, but where the innovation and capability have been moved to India, we are very much there. We work with IBM, and we work with McDonald's who have set up their GCCs and there we are working on cutting-edge technologies, especially on AI and data. That is our core strength, and we will continue to play to that. Other than that, there are sporadic requests that are coming from GCCs to provide services which are not falling in any of those things where in those cases we are going extremely opportunistic.

There is also a question about other contracts that we enter with our client's long term in nature, I think that I have answered that. The MSA's are long term in nature, but the SOWs are anything between three to six months directly.

There was a question on how we build our pipeline, how do we source these new leads that come from and what our sales strategy is? So, we have a complete sales enablement team and marketing and communication team which support our sales teams on a day-to-day basis. We have regional agencies, either sometimes we go for depending on the regions, we go with external agencies, we have good inside sales teams which will get into the cold calls and the email campaigns. We also have marketing teams running several webinars, conferences, attending conferences or hosting conferences and then we also have a relationship with rainmakers. All these put together become the source for our leads, and on top of it, the bulk of the leads come from the direct sales hunters who are on the ground. We have close to 25 hunters for the Company, spread between Philippines, Singapore, Malaysia, India, Dubai, Saudi Arabia and in USA, all these are put together. There is a well-oiled mechanism on generating these leads, qualifying them from a market qualified leads to sales qualified leads and passing on to the sales teams and we measure the conversion and these are some things which are well oiled that becomes a huge place and also we get source, some of the leads come from our website visits and that is managed by the MARCOM.

There is a question repeated many times on what our outlook for FY 2026-27 is both on topline and bottom line? I mean given the current conditions it is very difficult, but I can say that with the trend, the top line will be registering a single digit for FY 2026, but we are extremely confident that years forward will move into double digits. There is a question on the CAGR, which is very difficult to answer, but a five-year CAGR is a question, given the market conditions, especially when they are so dynamic volatile and technology is changing so fast, but we definitely can look at their five-year CAGR in double digits is what I can say.

There have been many questions on the newly formed subsidiary in Saudi Arabia and then we have one question that came during the meeting also on what the plans for Saudi Arabia and Dubai are? We have realized that if only one market, if I have to point out in FY 2024- 25 has grown with a very significant growth percentage that is Middle East and we have realized that in the year FY 2023-24 and FY 2024- 25, significant amount of business we were not even eligible to go for, is primarily because we don't have an office in Kingdom of Saudi Arabia (KSA) and thankfully the Board has approved and happy to announce that we have now a working subsidiary for Expleo Solutions in that region. Along with that, the ease of business has been made extremely easy by the Saudi Government. There is a lot of liberalization that has come, so that is helping us. We also see that they are derisking themselves beyond oil. From that point of view, they also want to create it as a financial hub and as you all know, your Company is primarily in the BFSI segment and that is clicking very well. The Second industry that is very promising in Kingdom of Saudi Arabia is they are also looking to have a big spend in the next two to three years on the defense areas, so these two are our sweet spots and that is where we want to get into. The third is on we are exploring literally with all major energy and utilities Companies in Saudi Arabia to expand our footprint because we have significant presence in Europe on the energy utility space, so the same can be leveraged on that. On Dubai front, it is primarily financial services and insurance, a lot of FinTech Companies and Super App companies are working. I would be very confident to say that probably we are almost working with literally every bank and where we have not made significant inroads in Dubai or United Arab Emirates is on the insurance front where our teams are targeting the customer acquisition on the insurance.

There is a question on verticals or geographies whether the Company is planning to expand. I think I have answered this where we stick to the existing Industries and region wise, we have already expanded into Saudi Arabia. I don't think that would change given the current market and focus on where we are already there is what we will spend more time on.

There is a question on the monetization plans for the Expleo AI or Sophia or Teressa in the future. As I said, we are not interested in product business. We have developed products which will augment our delivery services and that come as a part of our package or a part of the solution delivery and it is not going to be at least as I speak, we don't have a monetization plan because that is totally integrated with our solution delivery.

The next five or six questions are all talking about what is on AI and what exactly are the R&D initiatives you are taking and what are the ethical AI governance practices are being institutionalized as adoption grows. On AI tool increase, then we also have questions about what kind of AI business you are getting and then talk about what is the risk of AI and will that make our services obsolete? Let me tell you one thing, just as basic programming languages don’t become obsolete overnight, our services too will continue to evolve and remain relevant. The same will continue as technology evolves, there will be a transformation. Everything will depend on AI, the benefits will have to be passed back to the customers because of using AI and Generic AI tools that will significantly change the landscape on how we deliver the services, but that is seen more as an opportunity. In fact, I have told you this during my investors’ call also several times that we are positioning ourselves slightly differently at Expleo Solutions Limited, because we have been here for three decades in this World, in this global market as quality assurance verification and validation experts. We have diversified ourselves into software development and then into DevOps and then into Data and now when AI has come into picture. The AI business itself globally, for FY 2024 was $250 billion, out of that, the estimated confidence level at organizations to implement this is extremely low. That is primarily because the knowledge levels are also low. That is where we have positioned ourselves differently and we have done significant studies to understand which are the white spaces that are allowed and one of the white spaces that are available is in the sweet spot of Expleo solutions, which is because we have quality DNA with us. With this and our knowledge of AI, we have realized that AI assurance is what is going to be the key because today more while companies are in a rush to adopt artificial intelligence, we are not aware of the biases it brings in or the risk that it brings in or a sabotage that is built in. We have absolutely no confidence at various levels in this and that is where the entire emphasis is now going from getting the benefits from AI to someone giving AI assurance. So, we estimated that the AI assurance submarket itself is to the scale of $2 to $5 billion and it is growing at 40 to 50% CAGR because the base is very small and it has started new. This is where we want to stay invested, it doesn't mean that we will not do anything other than AI assurance while our current services of increasing AI in digital services are definitely continuing to be there. But if you have to position ourselves as what would be someone has also asked this question, what is the USP for this organization? I think we will probably say that while we provide engineering services, consulting services and quality services, we are going to be the digital assurance and the AI assurance partner and will make the responsible AI as a key element of our services and we will be alongside the customers in providing the kind of benefits coming off of AI without they having to go through any risk. So, that would be the primary one. So, having said that AI assurance is what will be the positioning of this organization going forward and when it comes to AI services that we have also told in the previous investors calls several times, right from requirement gatherings until moving into the CICD pipeline into production. At every stage, we have infused AI. Even the right requirement to generate test cases is all now done by AI. Even code generation is done by AI, automation is done by AI. So, this is what it is going to be like in the future. This is what is going to be the demand and the benefits coming out of these customers want directly to be passed to them. The only way we can be relevant in this is to completely transform the organization into an AI literate organization and there was also one question that has been asked about how the skills are being managed. We have AI transformation journey that we have started in the month of March, 2024, where the idea is for in the next two years, the complete organization will be AI literate. So far, we have run this program in iterative phases with the support of the online training facilities coming from Udemy, Coursera or even LinkedIn and they are all being deployed and made available to the team with an idea by FY 2026 end at least this organization should be completely AI literate. Whether you are doing testing, development or data, literacy on AI is mandatory. So, that is the journey what we definitely are looking at.

There is a question about the partnership with Siemens team center, to tell what this is about and how it helps? With Siemens we have been working with them for the last 20 years or even more and we have been a part of the integral part of their product engineering group for the team center, TLM application and so that continues and that is also going into the adoption of AI, and we are helping them with that. Further, what is the benefit you get out of this partnership is another question which we have now with the expertise that we have got on the team center of Siemens. We are now currently serving 14 customers, at least five to six of them in the USA who are Siemens customers, and we are providing them with services, both on the implementation part and L1 & L2 support. The partnership with Siemens is only becoming stronger and that has grown definitely big.

There is a question on are you looking at any acquisitions in the near future, if yes, what kind of acquisitions you are looking at? That is continuously on and we have evaluated quite a few, one or two which have come very close have fallen apart in their final stages of due diligence, but the activities continues to be there because we have done this four years back on a boutique Company which is on data which has really taken us very far in our data services, but a similar ticket size or small ticket sized acquisitions are what we are actively looking into. We are looking more at a service level capability which can cut across industries than industry focused acquisitions, these are the wish list, butat this of point, the hunt is still on.

Any plans to expand into Tier 2 or Tier 3 cities like Coimbatore? we already have one and at this point of time there's no further expansion plan in any of the cities within India. And the expansion will be purely opportunistic and need basis, we are not against it, but if the need comes, we don't hesitate to open but at least at this point of time, there is no such plan.

Another question on whether Expleo Group have any other subsidiaries in India except the listed entity? To answer, there are no subsidiaries for the Group in India except the Listed entity.

Another question is about our view on margins. Do we think we have a scope to improve our margins from here? And if yes, what are the numbers? Absolutely, I mean we have done significantly well in cutting our bench because we have gone into a stage where it's not us, but the industry as such has stopped believing in bench as a means of sourcing because technology is changing so rapidly fast. We have cut down on the bench significantly and we have invested that into just in time hiring for the skills that are relevant at this point in time. These old days are gone where you have 200 or 300 people just kept on a bench because the service that is coming can be anything. So, you just can't have that kind of bench which is ready to serve any service that comes your way. So instead, we have decided to move on and that will continue to be the driving lever for our operating model expenses to be improved. So, that will continue and we have done significantly by reducing the bench to the lowest possible and that is what we will continue to maintain and every possible activity to improve.

There was a question on why is the headcount coming down? I am not really worried about the head count coming down because if the same revenue is coming with a less number of people and our revenue per employee grows, that is something I see as a positive a thing. And when we have a robust talent acquisition team there also, we have AI enabled talent acquisition tools that have come where matching the profile, scheduling interviews, everything is, which otherwise is done by humans, now done by AI. There are efficiencies, due to this, quick turnaround times and we have registered some successful 83 to 85% acceptance from COVID times that looks extremely good for the number of offers that we give to people accepting it.

Ralph Gillessen: Thank you Phani. It was an exhaustive summary on all the response to the questions. I would like to hand over to Mr. Periakaruppan Palaniappan (Mani) to cover some of the additional question more related to the financials.

Periakaruppan Palaniappan (Mani): Thanks Ralph. I have also grouped the questions similar to how Mr. Phani did.

So, there is a question on the visibility of our revenue, what is the future visibility? What is the order book?
We don't want to give any specific numbers here, but I can say that typically when we enter a quarter, close to about 75% of the revenues already

contracted, it is in our order book and about 25% happens through the period as the quarter proceeds and this is how typically it is and that is the trend that we have seen.

The next question is how our foreign exchange outgo during the year has increased by 50% and while the revenue has grown here at 13.5%, and the comparison is between FY 2023-24 and FY 2024-25.

What I want to bring in a kind of context here is we have expanded, and our revenue has become more on-site driven. There is an onsite revenue share that is increasing and that is also resulting in foreign exchange both the income as well as the expense increasing because of that. This actually looking at a standalone number might look big, but in the overall picture I don't think there is a significant increase because our onsite revenue share is increasing and that is the reason why this is appearing this way. There is a corresponding increase in the foreign exchange income as well, we have to look at it in that context.

The next question is on, why has our domestic business has gone half from Rs.224 crores in FY 2023 to Rs.116 Crores in FY 2025?

There is a comparison between FY 2023 and FY 2025. I think the FY 2025 numbers are not correct, probably the number that is picked up is some other number in the year. The actual revenue has grown, both domestic as well as our onsite or international or outside India revenue numbers, both have grown, and our domestic revenue has grown from Rs.147 crores to Rs.151 crores between FY 2024 and FY 2025. The revenue outside India has obviously grown much higher, much faster because of our global expansion.

The next question is why did our revenue from external customers, which is non-promoter group revenue shrinked year-on-year in absolute terms. Again, don't think this observation is also correct because there is an overall growth of 6% year-on-year and this is again both promoter, here promoter meaning the Group revenue, as well as the non-group revenue both has grown. So don't think this observation is also correct.

The next question is about what is the sales of product revenue of Rs. 8.1 Crores in FY 2025 versus INR 6.7 Crores in FY 2024 and what is expected to be in FY 2026?

First of all, the product revenue is from our engineering division where we do some work which includes where we procure the product, do the testing and then supply it along with the material. So, that is what we refer to as product revenue. It is a combined contract, but I don't think we can give an outlook for FY 2026 because it all completely depends on project-to-project basis and of course in FY 2025 we have grown compared to FY 2024 but in FY 2026, I mean it could continue but I don't think we can put a number to that. It will all depend on purely based on projects.

Phani Tangirala: These are not software products, these are actual engineering products primarily for defense, so totally it is a function of defense requirements and as I mentioned, the defense outlook is positive.

Periakaruppan Palaniappan (Mani): The next question is on expenses for services rendered, and there are quite a few subsidiaries of the Group listed with the year-on-year numbers provided. I think the underlying question is, what are these services towards and why we are paying our Group entities? I think that is the question.

These expenses are typically for the services we take from our Group, for work that is delivered in those locations. So, for example, if there is a contract for which we are delivering to a client in France instead of sending our own people from here to there, we take people who are there in our Group entity, the French entity, and then we request them to deliver that and the revenue comes to us, of course there is an inter-company chargeback mechanism, but we don't incur additional costs because we have people already there. So, that is the number that you are looking at here and these are all for the work that we have delivered to our direct clients and not to our Group entities.

Moving to the next question, how does our branch offices in Philippines, Belgium, Malaysia and Israel are all of them are breaking even.
Yes, all of our branches and subsidiaries, they are all breaking even. We are not making any losses in any of these locations.

We have incurred a cost of Rs.108 Crores in other expenses towards external consultant costs. Can you help us understand what exactly this cost is? The external consultant cost is towards subcontractors, so, we get people on contract especially in the onsite locations and they are hired on need basis for particular projects and we don't hire them as employees to keep our costs in check and these are the costs that you are looking at as external consultant costs incurring primarily in Dubai and Spain.

Moving on to the next question, why is the EBITDA reduced from Rs.200 crores in FY 2023 to Rs.166 Crores in FY 2025 when the industry has shown moderate growth and profitability during the period?

In FY 2023, we had a one-time revenue from one of our engineering client. The work related to that project was done long ago, but there was some communication that was going back and forth between the client and finally the contract or the additional extension was signed later in that year in FY 2023 which gave us a additional incremental revenue against which there was no cost. So, it was complete benefit to the bottom line and the FY 2023 EBITDA was higher. But if you look at FY 2025, we have done better. It is at 16.2% compared to 15.8% that we did in the previous year, so it is indeed grown. It has grown by 0.8% year-on-year.

Moving to the next question, why our margins are lower and the receivables higher in the industry? I think we have already talked about the margins part, I will answer the receivables question. There's also a question that came from 2 people actually.

If I look at historically, if I look at how our receivables are moved, in FY 2023 our DSO was at 113 days, it became 104 in FY 2024, a reduction of 9 days and it further reduced to 96 days in FY 2025, a further reduction of 8 days. So, we are making good progress, and we are looking at bringing it further down. Of course, there could be because of seasonality and how the invoicing cycle works and all of those, there could be some periods where there will be spikes, but by and large we are looking at bringing down our overall DSO year on year and certainly to the 90 days threshold, that is the target that we have and we are working towards that.

The next question is on, what is the operating margin in digital business, Group business, India business and product business?

I don't think we look at businesses this way because they are not apples-to-apples comparison. And we don't actually talk about operating margin or EBITDA and I don't want to talk about specifics, but I can say that amongst all the businesses, digital business has comparatively higher margins and if you look at Group business, it is pretty much cost-plus markup, that's the transfer pricing methodology that we have, so we make a standard margin on these Group businesses. So again, that is why it cannot be compared with a business that we get from an external third party.

Moving on to the next question, how much percentage of revenue do we plan to spend on travel and marketing over the next 2 to 3 years?

So again, for the next 2 to 3 years, before that I will talk about how our current spends are? We are currently spending about 2 to 3% on travel and our marketing spend is pretty small. It is only about half a percent or about 1%, so we don't expect this pattern to pretty much change drastically in the years to come. While I cannot comment, for the next two years how it is going to be, but in the short term, we don't expect too much change. And most of this travel is project based, for delivery, so the trip is already priced in the contract that we sign with the clients.

The next question is on, have you been able to collect our receivables which are more than six months old, and there are references to the last two years' numbers.

The answer is yes, we have collected, and we do not have too much of bad debts or write offs. It is pretty much negligible. We have collected all of those that are more than six months old, and it is in fact improving year on year, the more than six months old outstanding is improving.

The next question is why our payable days have shrunk from 104 days in FY 2023 to 67 days in FY 2025.

These are all towards clearing our outstandings to our Group entities because after in FY 2022-23 though, that is the period where we had done our One India consolidation, so there were a lot of backlogs at the point of time, and they all have been cleared and that's the reason why the DPO has reduced.

The next question is why contingent liabilities increased by 30% year on year to Rs.130 Crores from Rs.100 Crores in FY 2024 and is there any cash outflow expected because of these liabilities.

Majority of this Rs.30 crore increase is coming from one specific case where there is an income tax demand that we have got for Rs.25 crores and we have already gone on appeal to income tax appealing tribunal. So, it is currently with them and it is under discussion and we don't expect any major outflow because these are all legal cases that are contested at different tribunals and authorities and we don't expect too much of a cash out flow except for whatever is required if you have to go on appeal, we have to deposit about 10% to 20%. That is the only cash outflow, but those are all deposits and if we win the case, we will get those deposits back. That is not really a cash outflow for that year, it is just a deposit.

There is one question that I would like to answer from what we got in the call today. There is a question on how many acquisition targets we look at in FY 2025.

We actually looked at the three and out of that for two we progressed it until the due diligence stage and after that it didn't proceed. The gender ratio is 32% to 33% women.

Ralph Gillessen: Thank you Mani.

I think there were few more questions from the members where I will take the opportunity to answer them.

There were even three or four more questions being asked today and we will ask the Chairperson of the Audit Committee to reply answer on Capital Allocation as this was even a question to the Independent Directors.

The acquisition targets already mentioned by Mr. Mani that there were three acquisitions being considered there was a long discussion on where and how it has been rejected because we were just evaluating them.

On the remaining questions, I think there are two questions, one was around the dividend policy of Rs. 50 per share and any plans for bonus issue or buyback. I think we certainly consider even their future dividend payments in line with our dividend policy. I think this is not the right time and the right forum to commit to any amount, but I can certainly confirm that it is in line with the dividend policy. The Board will carefully consider any future dividend payments, and I can confirm today there are no actions in place to pursue any buybacks. This might change in the future, but as of today there are no actions to pursue on any bonus issue or buyback.

There was a second question on the tangible ESG performance indicators that the Company is targeting as the Company is part of Expleo Group and the Group has already achieved an external certificate and ECOVADIS gold status for all the ESG efforts of the Group is making and this entity here Expleo Solutions Limited is fully embedded and contributing and the Group will continue this very high ESG standard we have achieved and maintaining at a Group level and the different targets are cascading into different organizations, into different countries but you even see on the Expleo Group website an ESG report where even India is covered or ESL is covered and you can see there all the effort that the Group is making to contribute towards the ESG targets.

There were two questions about the loan given to the Group and the interest rate. To answer, the loan was given on a period for three years at the interest rate of 9% which is significantly higher than the current market rate, so for all the shareholders of the entity, it is a favorable situation. For the given duration of the loan, we are generating interest rates higher than the market benchmark or what we could get from the external markets and therefore we believe that this is still a positive thing even for the members and the shareholders of the Company. Other questions from members on investments in our R&D, investment in artificial intelligent expansion into certain countries and doing more in the Kingdom of Saudi Arabia, e.g., driving strategic initiatives like M&A, considering to make dividend payments or this is in our portfolio or this is what we even as a Board along with all the Independent Directors we consider and discuss carefully and therefore we don't have really focused strategy just on buybacks as we evaluate all the different elements that are there in our portfolio.

There was an additional question on what the outsourcing share from the German entity is. I think it is not the meeting where we disclose figures from, Expleo Group, but what I can certainly confirm is that the majority of outsourcing and digital and tech is going to ESL, while we still see the majority on the engineering activities is going to other delivery centers and not to India, partly due to the characteristics of this business.

Another question was on the defense segment, even though we see a significant investment into it but especially in production. There are not a lot of R&D led initiatives at the moment, even when you look at what is invested, at the moment there is a huge investment in the defense industry. Phani mentioned Saudi Arabia but especially even at the moment across all the NATO countries or even in many countries belonging to the European Union or even the UK increasing the defense spend as percentage of the GDP, but you can clearly see that most of it is really going more into production facilities and really R&D. There is a smaller investment in R&D that is going into drones, but for the rest it is more the traditional project but increasing the capacity from a Group perspective. It is a good initiative even like Phani mentioned it to address direct markets like Saudi Arabia, but we see that especially in Europe and the spend is pretty much restricted even then at the moment to NATO countries or even to countries within the European Union. The government is trying to keep it in this part of the microeconomic context. The final question to me was on what I truly believe is different for Expleo in comparison to other entity. I think we can still increase our confidence in Global delivery, as the local team here is fully convinced but we still have a task to convince the Expleo team across all the countries and regions and our customers to push this in the same direction and to synchronize all the effort. This is definitely an ongoing task and challenge for not only Expleo, it is a challenge on a scale across the industry.

The remaining open questions are those submitted during the call, now I would like to hand over to Mr. Narayanan Subramaniam, Chairperson of the Audit Committee to address the question on Capital Allocation. Thank you.

Narayanan Subramaniam (Subbu): Thanks Ralph. I think the Capital Allocation decision is the responsibility of the Board and it is taken rather seriously by the Independent Directors because they are the custodians of the minority shareholder's interest. Capital Allocation involves various things including reinvesting in business, acquisitions or inorganic growth opportunities and lastly investing in R&D that will give future benefits, taking into consideration the Company's cash generation, liquidity, and the opportunities that it has for making inorganic acquisitions. The Board has made the best decisions as far as considered, decisions last year to increase the dividend because we have not paid any dividends in the previous years and also the acquisitions that we were looking at didn't go through so, based on that, I think a larger proportion of it was paid as a dividend. We are also building up reserves every month as we make profits and generate cash to ensure that we always have the liquidity if we need to make a quick move and do an acquisition, so that is maintained. Besides managing liquidity, by also making short-term investments either in local instruments and deposits or with the parent Company at arm's length interest rates. This is more than once vetted by the Audit Committee and the Board and also with the market validation that whenever we have any loans out to Group entities, the interest that we get is at least equal to if not more, usually more than what we would get from actual 3rd parties of the same standing. So, that is about the quick brief on Capital Allocation and the involvement of the Audit Committee in terms of fixing limits and arm's length pricing for various activities and Capital Allocation itself being between having liquidity for acquisitions, for reinvesting in the business and for R&D that is slightly longer gestation. As we speak and as Chairperson, confirmed that there are no plans to make any share buyback. I think so far what we have done in terms of Capital distribution and allocation is optimum given the current strategy and situation of the Company. Thank you.

Ralph Gillessen: Thank you, Subbu, is there anything to add from Dr. Varadharajan Sridhar or Dr. Srivardhini Keshavamurthy Jha, other Independent Directors to this.

Dr. Varadharajan Sridhar: Yes, thank you Chairperson. So, there was a question on the KRA's and KPI's of the CEO and CFO and how it is determined. As Chairperson of the Nominations and Remuneration Committee, we have a detailed metric by which the key performance indicators of CEO & CFO, the Key Managerial Personnel (KMP's) and Senior Managerial Personnel (SMP's) are defined based on which the variable pay component is computed. We have made a recent review of all the factors that go into the measurement of the variable pay component and we have revised it as we go along with respect to how the business is doing. So, this is to answer your question regarding the KPI's and KRA's measurement and metrics of the CEO and CFO. In fact, we also have these indicators for the Board members as well as Chairperson of the Board. Thank you.

Ralph Gillessen: Thank you Sridhar. Dr. Srivardhini Keshavamurthy Jha, if you want to add anything.

Dr. Srivardhini Keshavamurthy Jha: I have nothing further to add specifically with regard to any questions that were posed, but I just want to assure the shareholders that the Directors, the Independent Directors, are very active and very engaged, and we have found the Management to be very forthcoming in how they share the data that we request for. So, it is all in good hands.

Ralph Gillessen: Thank you very much and I can confirm that we have quite a healthy and good discussion and dialogue on all the different matters of the business. We will then close the Q&A session, thank you to the Independent Directors for answering all the questions.

As informed earlier, the electronic voting facility will remain open and available for the next 15 minutes enabling the eligible members to exercise their vote and thereafter the meeting will be deemed as concluded.

The Results of the e-Voting including remote E-Voting along with scrutinizer's report would be placed on the website of the Company and also on the website of Central Depository Services (India) Limited by August 23, 2025, and it shall also be submitted to the Stock Exchanges. The members can view the same. This concludes the business of the 27th AGM of the Company. I thank you all for your participation and smooth conduct of the meeting.

Thank you, all the best and goodbye.

Moderator (CDSL): With the permission of Chairperson and Company Secretary, we are concluding this meeting. Thank you all for joining.