



SEC/SE/022/21-22

Chennai, July 09, 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: Outcome of the Meeting of Board of Directors held on July 09, 2021.

Dear Sir/Madam,

The Board of Directors of the Company at its meeting held on July 09, 2021 has inter-alia considered and approved a composite Scheme of Amalgamation (“**Scheme**”) pursuant to Sections 230 to 232 of the Companies Act, 2013, providing for the merger of (1) Expleo India Infosystems Private Limited (**Transferor Company-1**) (2) Expleo Technologies India Private Limited (**Transferor Company-2**) (3) Expleo Engineering India Private Limited (**Transferor Company-3**) (4) Silver Software Development Centre Private Limited (**Transferor Company-4**) (hereinafter together referred to as “**Transferor Companies**”) with Expleo Solutions Limited (“**Transferee Company**” or “**the Company**”) and their respective Shareholders. The Appointed Date for the Amalgamation under the Scheme is April 1, 2022 or such other date as may be approved by the NCLT for the purpose of this Scheme.

The Scheme is subject to receipt of approvals of shareholders of companies involved and approval of other regulatory authorities as may be required, including those of the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal, Mumbai Bench, National Company Law Tribunal, Chennai Bench and National Company Law Tribunal, Bengaluru Bench (“NCLT”). The details as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is annexed herewith as **Annexure - I**.

The meeting of the Board of Directors of the Company commenced at 2.30 p.m. and concluded at 3.17 p.m.

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

Annexure 1

**Details on the proposed Amalgamation in line with
SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015**

1. Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.:

The scheme is a composite Scheme of Amalgamation (“**Scheme**”) pursuant to Sections 230 to 232 of the Companies Act, 2013, providing for the merger of

- (1) Expleo India Infosystems Private Limited (**Transferor Company-1**)
- (2) Expleo Technologies India Private Limited (**Transferor Company-2**)
- (3) Expleo Engineering India Private Limited (**Transferor Company-3**)
- (4) Silver Software Development Centre Private Limited (**Transferor Company-4**)

with Expleo Solutions Limited (“**Transferee Company**”) and their respective Shareholders

Brief details of Net worth, Total Income & Total Assets are as follows:

Rs. In Million

Name of the Company	Net Worth	Total Income	Total Assets
	As on March 31, 2021	As on March 31, 2021	As on March 31, 2021
Expleo India Infosystems Private Limited	2246.45	1373.07	2465.61
Expleo Technologies India Private Limited	325.34	1303.48	936.06
Expleo Engineering India Private Limited	15.99	0.13	16.25
Silver Software Development Centre Private Limited	(0.31)	0.00	0.11
Expleo Solutions Limited	1599.60	3058.30	2281.92

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”:

Expleo Technology Germany GmbH holds 56.17% of the shareholding in Expleo Solutions Limited and 100% of the shareholding in Expleo India Infosystems Private Limited. Expleo Technologies India Private Limited and Expleo Engineering India Private Limited are the wholly owned subsidiaries of Expleo India Infosystems Private Limited. Silver Software Development Centre Private Limited is the wholly owned subsidiary of Expleo Technologies India Private Limited.

Therefore, the proposed scheme would fall within the related party transaction and the consideration for the Scheme will be discharged on an arm’s length basis.



The Board of Directors of the Transferee Company has, in its meeting held today, based on the recommendations of the Audit Committee and the Independent Directors' Committee, approved the Scheme basis the following documents in order to maintain fairness and at arm's length:

- (a) Valuation Report dated July 09, 2021 as obtained from an independent valuer i.e. M/s BDO Valuation Advisory LLP, Registered Valuer, providing the share exchange ratio for the amalgamation of EIPL with the Company under the Scheme; and
- (b) Fairness Opinion dated July 09, 2021 obtained from M/s. IDBI Capital Markets & Securities Limited, a SEBI registered Category I Merchant Banker providing the fairness opinion on the share exchange ratio recommended by M/s BDO Valuation Advisory LLP,

Also, it is pertinent to note that Ministry of Corporate Affairs vide its Circular No. 30/2014 dated July 17, 2014 has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under Sections 230-232 of the Companies Act, 2013 will not attract the requirements of Section 188 of the Companies Act, 2013.

3. Area of business of the entity(ies):

- i. Expleo India Infosystems Private Limited (EIPL) is incorporated as an unlisted private limited company and has its registered office at Plot No.25/1, Rajiv Gandhi Infotech Park, MIDC Phase III, Hinjewadi, Pune – 411057. EIPL is primarily engaged in the business of software testing. It is registered under Special Economic Zone scheme of the government. 100% shares of EIPL are held by Expleo Technology Germany GmbH along with its nominees.
- ii. Expleo Technologies India Private Limited (ETIPL) is incorporated as an unlisted private limited company and has its registered office at Unit No 201(2A), XYLEM, Plot No 4 & 4A, 2nd Floor, Dyavasandra Industrial Area, ITPB Main Road, Mahadevapura, Bangalore – 560048. It is primarily engaged in the business of providing software development and engineering consultancy services with areas of focus in the field of Aerospace, Automobiles, Defense and Rail. 100% shares of ETIPL are held by EIPL along with its nominees.
- iii. Expleo Engineering India Private Limited (EEIPL) is incorporated as an unlisted private limited company and has its registered office at XYLEM, 2nd Floor, Plot No 4 & 4A, Unit No.201(2A), Dyavasandra Industrial Area, Mahadevapura Post, ITPB Main Road, Bangalore - 560048. EEIPL was registered with Software Technology Park Scheme upto 3rd June, 2018 and it was incorporated to provide engineering consultancy services to its clients. 100% shares of EEIPL are held by EIPL along with its nominees.
- iv. Silver Software Development Centre Private Limited (SSDCPL) is incorporated as an unlisted private limited company and has its registered office at Unit No 201(2A), XYLEM Plot No 4 & 4A, 2nd Floor, Dyavasandra Industrial Area, ITPB Main Road, Mahadevapura Bangalore - 560048. SSDCPL was primarily incorporated to engage in the business of software development. 100% shares of the SSDCPL are held by ETIPL along with its nominees.

- v. Expleo Solutions Limited is a public listed company having its registered office at 6A Sixth Floor, Prince Infocity II, No.283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096. It is part of Expleo Group, a trusted partner for end-to-end quality and management consulting services for digital transformation services to the banking, financial services and insurance industry worldwide. The equity shares of the Company are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). 56.17% shares of the Company are held by Expleo Technology Germany GmbH (formerly known as SQS Software Quality Systems AG).

4. Rationale for amalgamation/merger:

To consolidate all the Indian businesses of Group in a Single entity to enhance business focus, improve synergies and focus on long term value creation, and to simplify the Corporate Structure. The amalgamation of the Transferor Companies (as defined hereinafter) with the Transferee Company would inter alia have the following benefits:

- (a) The Transferor Companies and the Transferee Company are part of the Expleo Group. Expleo Technology Germany, GmbH holds 56.17% the shares of the Transferee Company. The business of the Transferor Companies is synergistic to the business of the Transferee Company. Upon the Scheme coming into effect, the synergistic benefits arising from the amalgamation of the Transferor Companies into the Transferee Company would result in even more effective business strategy for the Transferee Company and shall result in greater efficiency, integration of technologies, capabilities and cost effectiveness in the functioning and operation of the Transferee Company. Further, the Scheme will result in the entire business of the Transferor Companies being transferred to the Transferee Company, thereby resulting in the shareholders of the Transferor Companies and the Transferee Company having participation in, and deriving benefits from, the growth and prospects of the combined business operations of the Transferor Companies and the Transferee Company.
- (b) The Scheme will make available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Companies to the Transferee Company leading to synergistic benefits, enhancement of future business potential, cost reduction and enhance efficiencies, productivity gains and logistical advantages, thereby contributing to future growth and enhancement of shareholder value.
- (c) The Scheme will result in economies of scale and consolidation of opportunities offered by the Scheme, which will contribute to make the Transferee Company, pursuant to the sanctioning of the Scheme, more profitable, thereby further enhancing the overall shareholder value.
- (d) The amalgamation would motivate employees of the Transferor Companies by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide better corporate performance ultimately enhancing shareholder value.

5. In case of cash consideration – amount or otherwise share exchange ratio:

Upon the Scheme becoming effective and upon the amalgamation of Transferor Company 1 into the Transferee Company in terms of this Scheme, the Transferee Company shall, issue and allot without any further application, act, deed, consent, acts, instrument or deed, on a proportionate basis to each shareholder of the Transferor Company 1 or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date in the following ratio:

“459 fully paid-up equity shares of INR 10 (Indian Rupees Ten) each of the Transferee Company for every 10 equity shares of INR 10 (Indian Rupees Ten) each held in the Transferor Company 1.”

Upon completion of the above step, the Transferor Company 2 and Transferor Company 3 shall become wholly-owned subsidiaries of the Transferee Company. Since, the entire issued, subscribed and paid-up share capital of the Transferor Company 2 and Transferor Company 3 would be held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation. Accordingly, there shall be no issue of shares by the Transferee Company, and the shares of the Transferor Company 2 and Transferor Company 3, whether held in physical form or in electronic form, shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter, or thing.

Upon completion of both the above steps, the Transferor Company 4 shall become a wholly-owned subsidiary of the Transferee Company. Since the entire issued, subscribed and paid-up share capital of the Transferor Company 4 would be held by the Transferee Company and/or its nominee/s, no consideration shall be payable pursuant to the amalgamation. Accordingly, there shall be no issue of shares by the Transferee Company, and the shares of the Transferor Company 4, whether held in physical form or in electronic form, shall automatically stand cancelled and extinguished without any further act, deed, instrument, matter, or thing.

6. Brief details of change in shareholding pattern (if any) of listed entity, i.e. Expleo Solutions Limited:

Category of Shareholders	Pre-Amalgamation		Post-Amalgamation*	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Promoter [Expleo Technology Germany GmbH (formerly known as SQS Software Quality Systems AG)]	5,758,804	56.17	11,026,058	71.05
Public	4,493,681	43.83	4,493,681	28.95
Total	10,252,485	100	15,519,739	100

* It may be noted that based on the existing shareholding, the increase in promoter holding of 14.88% is to the existing promoter Expleo Technology Germany GmbH (formerly known as SQS Software Quality Systems AG).