



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

23rd ANNUAL GENERAL MEETING

Date of Meeting : **Thursday, August 26, 2021**

Time : **3.30 P.M. (IST)**

Place : **Thro' Video Conferencing (VC) or
Other Audio-Visual Means (OAVM)**

Moderator (CDSL): Good afternoon. For smooth conduct of the 23rd Annual General Meeting (AGM), all the lines of the shareholders will be on 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 Chairman / 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. Now I handed over the proceedings to the Chairman. Over to you sir.

Ralph Franz Gillessen: I welcome the Shareholders of the Company to the 23rd Annual General Meeting through Video Conference / Other Audio Visual Means..

In view of the continuing COVID-19 pandemic, 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 requisite quorum is present. I declare that the meeting is in order.

I request my colleagues on the Board, CFO and the Company Secretary, who are present in this video conference to introduce themselves. Over to Prof. K. Kumar.

Prof. K. Kumar: Good afternoon Members of Expleo Solutions Limited. My name is K. Kumar. I am an Independent Director on the Board and also the Deputy Chairman of the Board.

Ralph Franz Gillessen: Thank you Prof. Kumar. Over to Rajesh Krishnamurthy.

Mr. Rajesh Krishnamurthy: Hello everybody. I am Rajesh Krishnamurthy. Happy to join today. I am the Group CEO of the Expleo.

Ralph Franz Gillessen: Thank you Rajesh. Over to Prof. S. Rajagopalan.

Prof. S. Rajagopalan: This is Rajagopalan, an Independent Director joining this meeting from Bengaluru and welcome to the Annual General Meeting for all the Shareholders.

Ralph Franz Gillessen: Thank you Prof. S. Rajagopalan. Over to Rajiv Kuchhal

Rajiv Kuchhal: Hi, this is Rajiv Kuchhal. I am an Independent Director and I welcome you to Expleo Solutions Ltd Annual General Meeting. Thank you.

Ralph Franz Gillessen: Thank you Rajiv. Over to Balaji Viswanathan.

Balaji Viswanathan: Thanks Chairman. Welcome Shareholders for the AGM today. Good afternoon to one and all. This is Balaji Viswanathan, Managing Director, joining this video conference from Coimbatore.

Ralph Franz Gillessen: Thank you Balaji. Over to Desikan Narayanan.

Desikan Narayanan: Hi I am the Chief Financial Officer of the Company and welcome to the AGM.

Ralph Franz Gillessen: Thank you Desikan. Finally, Over to S. Sampath Kumar

S. Sampath Kumar: Thank you Chairman. Welcome Shareholders to the 23rd Annual General Meeting of the Company. I am Sampath Kumar, Company Secretary & Compliance Officer joining this meeting from Chennai Office. Thank you, Chairman.

Ralph Franz Gillessen: Thank you Sampath.

Ralph Franz Gillessen: Ms. Lilian Jessie Paul and Mr. Ulrich Baumer, Independent Directors, could not attend the meeting due to personal reasons.

I acknowledge the attendance of the Statutory Auditors, Kalyaniwalla & Mistry LLP (K&M), Chartered Accountants and Secretarial Auditors, M. Alagar & Associates, Company Secretaries in Practice, who have joined this meeting. Welcome to the Statutory Auditors and Practising Company Secretary.

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.explesol@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 2020-21 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, 2021 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 to 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 need not to 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 now request Mr. S. Sampath Kumar, Company Secretary to brief the shareholders on the regulatory aspects for the meeting. Thank you.

Sampath Kumar:

Thank you Chairman. Good afternoon to all of you!

Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs ("MCA") vide its General Circular No.02/2021 dated January 13, 2021, read with General Circular No.39/2020 dated December 31, 2020, read with General Circular No.20/2020 dated May 5, 2020 read with General Circular No.14/2020 dated April 8, 2020 and also the General Circular No.17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars") 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. and SEBI. The facility to join 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 2020-21 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 circular dated May 5, 2020 and SEBI circular dated May 12, 2020, 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 23, 2021 to 5.00 p.m. IST on August 25, 2021.

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, Practicing Company Secretary 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 not received any question up to August 24, 2021 @ 3.30 p.m. IST from the Members with regard to the financial statements or any other matter placed at the 23rd AGM. Also, the Company has received request from few members by registering themselves as a speaker to ask questions during the 23rd 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 pertaining to the Annual Report 2020-21 during the 23rd AGM. 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 28, 2021 and shall also be submitted to the Stock Exchanges.

Thank you, Chairman.

Ralph Franz Gillessen: Thank you, Sampath.

Ralph Franz Gillessen: Dear Shareholders,

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

over 10%, double our digital business, which has carved out a significant part in our offering.

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

Organizations in the new normal will seek to provide experience-based outcomes, seamless collaboration, remote operations, uncompromised security, and resilience to respond to business disruptions. And this will be driven by new technologies like AI, Distributed Cloud, Blockchain, Robot Process Automation, Digital Twins, and Cybersecurity. We at Expleo have invested in Artificial Intelligence/Machine Learning and Intelligent test models that analyze and manage sophisticated data and help our customers to leverage these technologies with confidence.

Automated environments in the Cloud and automated testing systems will play a significant role in freeing developers to create viz-a-viz diagnosing problems. Organizations will leverage this to release better products faster. We are committed to helping our clients with the next era of service offering. Application development security will increase by 146% in the next five years. And in our largest business segment, the banking and financial service sector, the significance of technology will peak in the following year. According to Nelson Hall, banks will pursue process automation, technologies that enable work from home, and cognitive processing.

Technology adoption in our key markets – South East Asia, Middle East, Europe, and India, is booming. Digital banking services are increasing from 42% pre-COVID-19 to 63% post-COVID-19, and the total digital payment transactions will double to \$1.2 trillion by 2025.

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

We strive to enable our customers in their digital transformation journeys with faster, safer, and experience-driven technology. We ramped up to fulfil immediate, short-term deployments and shorter decision cycles for primary digitalization requirements. With our Center of Excellence for digital practices, we track demand and focus on addressing digital requirements. A testimony to our digital capabilities is our renewed business from our existing customers and new customers in this space.

We are also witnessing a heightened demand for skills and experience. The number of projects in the last two quarters drove us to increase our headcount by 318 skilled employees. Our current demand is a strong indicator of more hiring in the next few quarters.

Our response to COVID-19 has increased our customers' faith in our brand. Our 100% score on our Customer Satisfaction Survey was a testimony to that. We were able to seamlessly manage risk and assure business continuity to our customers with a process that focused on customers, employees, security, and productivity. We identified flexible and secure work arrangements and prioritized our employees' mental health and safety, resulting in zero threats and increased employee engagement through constant communication channels. We were able to enforce IT controls and necessary home-grown tools to enable remote operation and frequent audits to stay compliant even before the national lockdown in India began. Our customers called out our ability to be highly proactive, agile, and going beyond the SLAs to deliver customer support and satisfaction.

At Expleo, innovation remains one of the key drivers of business growth. We will continue to augment our capabilities and strengthen our services in the digital space. In 2020, we won two prestigious awards at the IBSI Global FinTech Innovation Awards 2020. Our topmost priority is to ensure that we stay relevant and actively contribute to your business success. A testimony to that was the 'Asia's most promising business leader' awarded to our Managing Director & CEO of Expleo Solutions Ltd., Balaji Viswanathan, by Economic Times. Congratulations Mr. Balaji.

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

Ralph Franz Gilleszen:

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

Ordinary Business:

For consideration and adoption of

- a) The Audited financial statements of the Company for the financial year ended March 31, 2021 with the reports of the Board of Directors' and Auditors' thereon.
- b) The Audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and Auditor's Report thereon.

Objective and Implication of the Resolution:

As per Section 129 of the Companies Act, 2013, the 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.

Next, item No.2 of the AGM Notice is for re-appointment of Mr. Balaji Viswanathan (DIN – 06771242) 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 re-appointment can be re-appointed. The identification of person to retire by rotation is determined based on the seniority of date of appointment.

Accordingly, this year, Mr. Balaji Viswanathan retires by rotation and being eligible offered himself for re-appointment as the 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. Balaji Viswanathan seeking re-appointment as a Director forms integral part of the notice of Annual General Meeting.

The resolution is to be passed as an Ordinary Resolution.

Special Business:

Next, item No.3 of the AGM Notice is for the Appointment of Mr. Rajesh Krishnamurthy (DIN - 08288884) as Non-Executive Director.

Objective and Implication of the Resolution:

Mr. Rajesh Krishnamurthy (DIN – 08288884) was appointed as an Additional (Non-Executive) Director of the Company by the Board of Directors of the Company with effect from September 1, 2020 and who holds office up to the date of this Annual General Meeting.

In terms of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Krishnamurthy being eligible and offering himself for appointment, is proposed to be appointed as Non-Executive Director of the Company.

A detailed bio-data of Mr. Rajesh Krishnamurthy has been given in the explanatory statement to the notice of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company, and it is desirable to continue to avail services of Mr. Rajesh Krishnamurthy as a Non-Executive Director.

The resolution is to be passed as an Ordinary Resolution.

Next, item No.4 of the AGM Notice is for the Re-appointment of Mr. Balaji Viswanathan (DIN - 06771242) as Managing Director & Chief Executive Officer (Key Managerial Personnel) of the Company.

Objective and Implication of the Resolution:

Mr. Balaji Viswanathan (DIN – 06771242) joined the Board of Directors of the Company as Managing Director & Chief Executive Officer on September 1, 2018. He was re-appointed as Managing Director & Chief Executive Officer (Key Managerial Personnel) at the Board Meeting held on May 20, 2021, with effect from September 1, 2021 for a period of 3 years, subject to the approval of the Shareholders at the General Meeting.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Regulation 17(11) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, the Board recommends the terms and conditions of re-appointment along with the details of remuneration sought to be paid as set out in the Special Resolution in Item No.4 of the accompanying Notice for the approval of the Members.

A detailed profile and statement containing additional information as required in Section II of Part II of Schedule V to the Companies Act, 2013 of Mr. Balaji Viswanathan have been given in the explanatory statement to the notice of the Annual General Meeting.

The Board considers that his continued association would be of immense benefit to the Company, and it is desirable to continue to avail services of Mr. Balaji Viswanathan as Managing Director & Chief Executive Officer (Key Managerial Personnel).

The resolution is to be passed as a Special Resolution.

As the next item No. 5 of the AGM Notice is for approval of Related Party Transactions and I am being interested in this item, I request Prof. K. Kumar, Deputy Chairman to occupy the Chair and explain the objective and implication of the resolution.

Prof. K. Kumar:

Thank you Chairman. Dear Members

The Next, item No.5 of the AGM Notice is for the approval of Related Party Transactions.

Objective and Implication of the Resolution:

a) Pursuant to Section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein except with the consent of the Board of Directors given by a resolution at a meeting.

b) Similarly, irrespective of quantum of paid up share capital, no Company shall enter into any contract or arrangement with a related party for sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property exceeding ten percent or more of the turnover of the Company except with the consent of the Board of Directors given by a resolution at a meeting and prior approval of shareholders.

c) Services are expected to be provided by Expleo Solutions Limited to Expleo Group Entities, its Holding Company, Fellow Subsidiaries and entities under common control and Vice Versa.

d) The value of transaction is upto INR 1,275 Mn per annum for Sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property, for every financial year.

The resolution is to be passed as an Ordinary Resolution.

I now request Mr. Ralph Franz Gillessen to occupy the Chair and continue with the proceedings of the meeting. Thank you Mr. Ralph.

Ralph Franz Gillessen:

Thank you, Prof. K. Kumar

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 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, the answers to all the questions will be provided towards the end.

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

Sampath Kumar:

Thank you Chairman. We shall now proceed with the Q&A. Kindly unmute yourself and proceed to ask the question. Please mention your name, Folio / DP ID & Client ID Number and the location from where you are joining. Each shareholder will have 3 minutes for their questions. To avoid repetition, the Board will respond to all the questions at the end. Once you have asked your question, you can mute and continue to watch the proceedings.

Question Session:

Sampath Kumar:

I request Shareholder, Mr. Bilkis Zubair Hawa to unmute himself and kindly proceed with the question.

Bilkis Zubair Hawa:

I have a set of questions,

- (a) Can you give me 3 steps that the Company has taken:
 - (i) to increase the gender diversity in the Company?
 - (ii) to Increase Environmental, Social and Governance (ESG) Compliance?
 - (iii) to cut risk out of you in Volatile Uncertain Complex and Ambiguous (VUCA) situations where the volatile world causes some problems?
- (b) How we can make growth sustainable over many years?
- (c) How is the management planning for additional people who can replace the existing people in the leadership roles?
- (d) Since the MD has applied for reappointment as Director, can you give us the key resource areas that the Board has set to MD for the growth of the Company in the years to come or for FY – 2021-24.
- (e) How much is the testing business of the promoter entity World over? What contribution does the testing business make to the promoter's revenue Worldwide? And how do they divide business amongst themselves? Are we doing most of the outsourcing work for them or we look for our sales also?
- (f) What is our Top 5 customer concentration as a percentage of revenue?
- (g) What is our total number of customers? What is our per hour cost price of employees? Is there some billing rate we have also?
- (h) Can you give how our deal size has moved over the years?
- (i) What are the minimum and maximum deal size and the average deal size that we have been making?
- (j) There is a fair amount of cash in the books of the Company. How are we going to utilize this cash particularly, in view of the merger that is going to take place? What is the timeline for this merger?
- (k) How we will benefit, and can you give a roadmap as to how we will integrate and what will be the cost savings after the merger?
- (l) How many sales people do we have and can you give us the location of the sales people as to where they are working?
- (m) Can you give us a background as to how this software testing business actually work? What do we test?
- (n) Can you give us case study of at least one customer without naming the customer as to how we have worked on it and where we have added value to the customer so that we can understand the business properly?
- (o) The Parent also has Romanian company as their Subsidiary. What is the revenue of the Romanian Subsidiary? And do they do testing business as well?
- (p) What is the parent's revenue World over?
- (q) How much the Parent grown over the last 3 years?

These are my questions.

Sampath Kumar:

Thank you Mr. Bilkis Zubair Hawa.

Sampath Kumar: We request Mr. Ramesh Shankar Golla to unmute himself and kindly proceed with the question.

Karthik, Moderator, CDSL Sir, he has not joined in.

Sampath Kumar: We request Mr. Ravi Kumar Naredi to unmute himself and kindly proceed with the question.

Ravi Kumar Naredi: Respected Chairman, MD & Hon'ble Board of Directors, employees of the Company and fellow shareholders,

Sir, when Expleo was taken over by Germany company in 2014 we were shareholders also at that time. But no major benefit in top line comes from either the German promoter or local business leader, who is looking after the Company since the last 8 years. We are growing Three and half percent CAGR in last five years. Can I ask the reason of so much tepid performance by our reputed company in spite of a good management team? Really, it is not a challenging job for all of you to grow this company. You see, in IT, so many companies grew in last 18 months, like 50 to 100% top line growth. But no major growth comes to our Company? Why our promoter and management are weak? My point to Chairman is that he spoke well in his speech. But nothing concrete is visible on ground level. So, that is my request. Do something concrete so we can proudly say we are a shareholder of a German company who delivers.

Sampath Kumar: Thank you Mr. Ravi Kumar Naredi.

Sampath Kumar: We request Mr. Aspi Bamanshaw Bhesania to unmute himself and kindly proceed with the question.

Aspi Bamanshaw Bhesania: At the outset, I congratulate the entire management for the excellent results.

- (a) In Q1 of current year, margins were reduced as compared to Q1 and Q4 of last year. Reasons for reduction? When we can reach Q1 last year margin?
- (b) Other expenses are increasing very fast. What is increasing so much in Other expenses as compared to previous year? Current year, Other expenses have not increased much. Only in the 1st quarter, the other expenses have increased so much.
- (c) After 23 years, our income is Rs.300 crores. Can we achieve Rs.400 crores in the next 2 years when we will celebrate 25 years?
- (d) There is a proposal to merge Expleo India Infosystems Private Limited. What is the latest on this merger? Thereafter, will our Company be the only company of Expleo in India? Will the merger be EPS lucrative?
- (e) How we have been doing in the current year?

Thank you and all the best.

Sampath Kumar: Thank you Mr. Aspi Bamanshaw Bhesania.

- Sampath Kumar: We request Mr. Abhishek J to unmute himself and kindly proceed with the question.
- Karthik, Moderator, CDSL Sir, Mr. Abhishek has not joined in.
- Sampath Kumar: Thank you Mr. Karthik.
- Sampath Kumar: Chairman, with this, we can conclude the question session from all the shareholders. Now, I hand over to you sir.
- Ralph Franz Gillessen: Thank you Sampath. All the Shareholders Thank you for the very interesting questions. And I think it is a good and interesting set of questions. And I think it is on the one side more into the financials, even if you are very specific. Questions on this, especially from the first shareholder. The second shareholder was more talking about growth, strategy compared, even then probably to peer group and a benchmark. And I think even the last shareholder, even more specific question on margin and margin evolution. Therefore, I would like to request our CFO to start answer the first set of questions, the growth and average deal size information that we can disclose there. And then probably, Balaji can even talk a little bit about the growth strategy and how do we implement it.
- Desikan Narayanan: To start with one of the questions asked on:
- (a) For Top 5 customers in terms of overall percentage for the Company, it comes around 32%. If you take Top 10 customers, it is around 52%, that is the concentration of Top 5 and Top 10 customers.
 - (b) Regarding the number of customer, we have currently around 75 customers.
 - (c) With respect to the deal size, the average deal size varies from around Euros 100 to 500,000.
 - (d) With regard to cash utilisation, this has been a constant question and we have been looking at all the multiple avenues, which includes dividend as one of the avenues. As we are under top 1000 companies in terms of market capitalization, we will be publishing a dividend distribution policy by end of this year or early first quarter of next year, that will give a kind of guidance as to how we are, and how we are going to use the cash what we have.
 - (e) On the Merger, we have now applied to the Stock Exchanges. Thereafter, it will go to SEBI, NCLT and the approval of Shareholders. The current timeline what we are looking at is around the second quarter of next year. By then, the whole merger process will be completed.
 - (f) There was a question on increase in cost compared to last year. This year, if you look at on the other expenses, we had a regrouping of third-party consultant cost. The increase in other expenses is because of third party consultant cost and increase in basic employee cost. But the cost on third party consultants which we had engaged

has increased the other expenses. Looking at the current state of business, we need to serve the client early and so that, we do the billing faster. In the current situation, getting the resources is very difficult. So, we go for the third-party consultants so that we can sell it to the clients and take the money on the table. So, that is the way we have operated in the current situation and that has a cost allocated. This is the reason for increase in cost.

Those are the items, which I see that on the financial things, may be Mr. Balaji can touch upon the other aspect of growth and the key areas.

Balaji Viswanathan

Thanks Desikan. Thanks Chairman.

On the question on growth and why there has not been growth raised by Mr. Naredi. Just to clarify that we are not sure about the companies which are growing at 100% or 60%. But the average CAGR for the Indian IT Companies is in high single digits. And that is what most of the companies have reported in the last couple of years atleast. While I agree that in the last 5 years we had some challenges, but this year we have shown growth of 11% between April, 2020 to March, 2021. The plan is to keep that momentum grow at high single or double digits. Our team is focusing on all the service lines which the Chairman mentioned when we started the conversation on what are the areas that we are working on. The capability around automation, automated testing bringing in AI additional new gen testing capabilities, and along with that, software development which will aid us from moving from testing services and make us more complete service provider is what we have been focusing on and that, looking from what the last year's performance was, it started showing us the results. And we expect that it will continue to show us good results as well. And the last 4 quarters, we have been consistently showing 9 to 10% growth and in the previous quarter (Jan to March), we have actually shown growth of 16 to 17% as well. So, we expect that some of these strategies that we have deployed will show us the results and we are also trying to address some part of the supply challenges, even though the demand is quite good, and we are making sure that we are able to get whatever revenue and the customer confidence in deploying the resources faster and making sure that we are able to deliver to our customers.

In terms of who are our top customers there was a question raised by Mr. Bilkis Zubair Hawa and some case study around the customer. We are not at liberty to disclose the customer names but our one of the top customers actually is European Banking Client. They are our top 10 customers for the last 3 to 4 years and we have been working with them in having our resources onsite in Europe and in India. And we have been helping them in their payment journey and digital journey and our role has been being part of what we call it as a scrum team or the agile team. And we have been playing a very crucial role in the entire testing process for getting their customers mobile labs, web apps, and in terms of performance and security testing as well. So, we have played a very crucial role in rolling out their digital products in the last 3 to 4 years. And you know the client is very

appreciative and one of the customers have given us a very good customer satisfaction rating as well.

There were few questions around gender diversity and what we are doing around gender diversity, ESG as well. On gender diversity, we are faring very well. We have more than 35% of our employees from a gender diversity perspective. However, we are not sitting on that and not thinking on what we need to do. There is a lot more to do as well, particularly, in moving women into leadership roles and our training team and our people services team are working very closely on that. There have been multiple programs that the team has been running for enabling leadership training and skill enablement for our diversity candidates for them to help grow faster.

On the ESG, we have been tracking ESG quotient and ESG index. It is not just at Expleo Solutions level. May be, I will request Chairman and Mr. Rajesh Krishnamurthy to talk about what we are doing at the Group level. Now, this is becoming one of the key elements and most of our customer proposals as well, because the customers are also expecting what we do from ESG standpoint. If you are tracking our website and what we are posting on the social media there have been quite a few case studies and interesting projects that the Group has done on zero carbon footprint, environment saving, recycling and the plastic base as well in many other industries not so much in the banking industry because, the scope for those are very limited. But how we are doing automation, how we are able to reduce the utilisation of paper, the more digital services or something which we are tracking what we are delivering for our customers as well.

Chairman, have I missed anything else? Or Sampath, Is there anything else that I have missed?

Sampath Kumar

Sir, you have covered.

Balaji Viswanthan

Thank you so much. Thanks for the questions.

Ralph Franz Gillessen

Thank you Desikan. Thank you, Balaji. I think there was even one or two questions even then from the first Shareholder, as he has asked larger number of questions. I think there were even a few more even related to Group, even size of the group business that we are doing in Romania. We briefly mention that the activities in Romania today focusing on the activities that we have in the automotive segment, you probably know that roughly 25% of the group activities are in the segment, especially with automotive as OM, but even some of them are large, especially European Tier 1s. And they are the center we have there in Romania which is supporting, especially in the development of embedded systems of electronic and our customers in this segment and it is a different scope compared to what we are doing and what we are delivering today with the skills and expertise that we have it in Expleo Solutions. I think we briefly mentioned, and you can see it on the website that their annual revenue of the organisation is roughly a billion Euros, so that you can even see and calculate what is the share of the revenue even from Expleo Solutions.

Just to give you an idea on this, I can certainly confirm succession planning is an important aspect for us. It is part of people service strategy. On the one side, it is important for us even to have the necessary continuity and the leadership. Therefore, we are happy that we have Mr. Balaji a very strong MD & CEO on top of this business for another 3 years. But at the same time, we are even then going into the organisation to the next management level. And even if they have a very clear understanding on how to develop the skills and expertise on the one side. But even then, when you grow probably to a bigger role, even a clear understanding on how we manage and how do we organize then and there. There was succession planning. This is part of this and at the same time how we are even looking into.

It was already mentioned by Mr. Balaji even though at Group level, we have a benchmark for our contribution or what people consider in our service portfolio where we have an indirect impact together with our customers on how we can probably focus on green initiatives with clients as part of our service delivery or the assets what we provide. But even from an internal perspective, we have set clear targets for all the operations for all the countries on how we can contribute. Even then probably that with clear environment how we can contribute there and take care of our own corporate social responsibility. It is a set of actions and is even described on the Group website and can find it out on the social media channels. We are tracking it under the leadership of our CEO or even in our Board Meetings where we can look on how we can make an impact.

On the one side, even with direct activities we have, but I think even the bigger part is, we are supporting especially in the Aero business, automotive business, transportation business. New fuels, immobility, and hydrogen, all these things where we are playing especially in this industry segments quite an important role, and where we even see the biggest contribution by us for our organisation in this field.

Probably, briefly covered some of the questions that are probably more even then on about the Group and what we are doing there.

Thanks for your questions. Thanks, Desikan and Balaji for your answers. Then, I would like to close this Q&A session.

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 28, 2021 and it shall also be submitted to the Stock Exchanges. The members can view the same. This concludes the business of the 23rd AGM of the Company. I thank you all for your participation and smooth conduct of the meeting.

Thank you very much.