

TRANSACTION ANNOUNCEMENT

October 10, 2022

Aparajitha Corporate Services Private Limited (Aparajitha), India's largest compliance service provider, along with its affiliates announced the acquisition of a strategic 76% equity stake in Simpliance Technologies Private Limited. Aparajitha progressively intends to integrate and merge the operations by offering Simpliance promoters and other shareholders equity shares in Aparajitha as part of the transaction. The Simpliance Promoters and the management team will become part of leadership team for the combined operations. The proposed acquisition is subject to completion of closing actions and receipt of regulatory approvals.

Aparajitha is the largest compliance service providers in India focused on the Labour, Employee and Industrial (LEI) and Environment Health and Safety (EHS) related compliance services. With over 1,500 employees on its rolls and presence in 25 Indian States, Aparajitha is truly a pan India player with strong domain expertise in Central and State laws pertaining to employees, labour, industrial and EHS regulations. Aparajitha has over 1,700 clients ranging from Fortune 500 companies to MSMEs.

Promoted by Dr. Bharath Krishna Shankar and Mr. Nagaraj Krishnan, Aparajitha is part of Xcelerate Pte Ltd, a Singapore-headquartered GRC / ESG operating and investment platform. Xcelerate has a clearly defined roll-up strategy to bring together world class management teams, cutting edge technologies and domain experts to offer comprehensive solutions on a regional basis in the GRC / ESG segment.

Headquartered in Bangalore and with a nationwide presence, Simpliance is amongst the top three LEI compliance solution providers in India and provides a leading software-as-a-service (SaaS) offering in this segment with a subscription-based revenue model. Promoted by Lt Cdr Anil Prem D'Souza, An Indian Navy Veteran. Simpliance has ~120 clients across industry segments, including Financial Services, Health care, Industrial and Retail. Simpliance is a subsidiary of Qess Corp Limited.

Aparajitha is a leader in the LEI compliance segment with a nationwide network of in-house operations and service representatives. Simpliance offers digital and automation tools for its clients to manage risk and meet the rigorous compliance requirements with a user-friendly digital interface. This transaction enables us to provide customers with world-class digital solutions combined with high-quality full assurance compliance services on the ground.

This is the second acquisition by Aparajitha in four months, after the acquisition of the business / select assets of Comply India Tech Services Private Limited in June 2022.

Commenting on the transaction, Mr. Nagaraj Krishnan, Managing Director of Aparajitha said, "The combination with Simpliance will enable us to offer comprehensive compliance solutions – best-in class services combined with digital tools and emerge as the undisputed leader in the LEI Compliance segment. We welcome Anil and his team and intend to emerge as a technology and data-oriented compliance solution provider with strong regulatory domain expertise in India and other regions".

Lt Cdr Anil Prem D'Souza, CEO Simpliance said ""Being a part of the Qess family since 2016 has helped us to build scale, leveraging the Qess' platform and their management expertise. We look forward to partnering with Aparajitha Corporate Services, to seamlessly integrate our SaaS Offerings to create holistic bundled products for our customers across the value chain.""

Mr. Guruprasad Srinivasan, Executive Director & Group CEO, Qess Corp Limited said “In line with the corporate structure simplification process and rationalization of business lines, we have divested our stake in Simpliance Technologies Private Limited. Qess helped the Simpliance team to build a comprehensive tech platform which provides total labour compliance solutions for digital India. While this has created great value for the Shareholders of Qess, we are also happy that Simpliance has found a permanent home at Aparajitha Corporate Services.”

The deal is valued at an Enterprise Value of INR 120 crores, on a cash and debt free basis, subject to closing adjustments and fulfilment of conditions set out in the transaction documents.