



ACCELYA SOLUTIONS INDIA LIMITED

35th Annual Report 2020-21



accelya

Accelya Solutions India Limited

Corporate Office,
Development Center and
Accelya Managed Service Center

Mumbai

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Development Center

Pune

Accelya Enclave,
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Goa

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Global Offices

USA

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London, NW13ER, United Kingdom
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Board of Directors

John Johnston	Chairman
Neela Bhattacharjee*	Managing Director
Shrimanikandan Ananthavaidhyanathan**	Managing Director
Sekhar Natarajan***	Director
Nani Javeri	Director
Sangeeta Singh	Director
Jose Maria Hurtado	Director
Amol Gupte****	Director

* Retired w.e.f close of business hours on 30 June, 2021

** Appointed w.e.f 1 July, 2021

*** Retired w.e.f close of business hours on 6 July 2021

**** Appointed w.e.f 20 May, 2021

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Auditor

Deloitte Haskins & Sells LLP,
Chartered Accountants

Company Secretary

Ninad Umranikar

Bankers

State Bank of India
ICICI Bank Ltd

Registered Office

Accelya Enclave, 685/2B & 2C,
1st Floor, Sharada Arcade,
Satara Road, Pune - 411 037.
Tel. No. +91 20 6608 3777
Fax No. +91 20 2423 1639
Website : w3.accelya.com
CIN : L74140PN1986PLC041033

Registrar and Share Transfer Agent

M/s. KFin Technologies Private Limited,
Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad - 500 032
Phone: +91 - 40 - 6716 2222
Fax: + 91 - 40 - 2300 1153
Toll Free No.: 1800-345-4001



Dear Shareholders,

I trust that you and your families are safe during this uncertain period.

I thank the shareholders and the board for providing me with this opportunity to lead a group of fantastic professionals and to be part of this great organization.

As a technology partner for the travel industry, we have observed a direct impact on our business due to travel restrictions and reduced travel activities across the globe. However, we have taken proactive measures to ensure that we stay financially strong through these challenging times.

We have stood with our customers and provided the support needed during this volatile period. Our domain expertise and ability

to adapt to the constantly evolving business environment ensured that they received the best services.

As primarily a transaction-based business, we had seen a dip in our business volumes during the early stages of the pandemic. However, we are happy to share with you the fact that the business is showing positive recovery trends.

The company continued the practice of rewarding its shareholders with dividends that reflects our financial performance even during this challenging period. The total dividend for 2020-21 is Rs.52 (Rupees Fifty-Two) per share, including Rs.17 (Rupees Seventeen) per share recommended as final dividend.

We have balanced our operations and employee welfare by continuing the work-from-home policy. With our proactive approach towards employee engagement and enablement, we have ensured that we continue to sustain operational excellence even with this new approach to working.

Our staff are our greatest assets and we have provided necessary support to the employees who faced hardships during this period of distress. We continue to engage with them on their physical and mental well-being regularly. We have embarked on a successful vaccination campaign across our India offices, that has benefitted our employees and their families.

We observe that the travel industry is now showing signs of recovery across the globe. However, various industry bodies are predicting that the journey towards the pre-covid business volumes will be a long one. We continue to monitor the evolving business landscape to ensure that we drive the organization in the right direction, balancing our short-term demands and long-term aspirations.

We continue to focus on innovation and creating a best-in-class financial solutions and services portfolio for the travel industry. We have partnered with various industry bodies to deliver the same.

With a strong vision and commitment to growth, we, as part of the Accelya Group, will partner with our airline customers to drive their recovery process and beyond.

I thank you for your confidence in our company and your continued support. Please stay safe and healthy.

Yours truly,

Shrimanikandan Ananthavaidhyanathan
Managing Director

Financial Highlights

(Amount in ₹ Million)

	2020-21	2019-20	2018-19	2017-18	2016-17
INCOME STATEMENT					
Operating Revenue	2,510.10	3,549.78	3,784.77	3,450.41	3,324.05
Operating EBITDA	970.67	1,565.03	1,726.91	1,551.47	1,595.57
Profit Before Tax	587.52	1,189.05	1,560.11	1,408.17	1,452.15
Profit After Tax	451.93	886.38	1,038.49	947.16	947.47
BALANCE SHEET					
Net Worth	2,294.99	2,359.43	1,904.53	1,738.75	1,730.95
Borrowings	-	-	-	-	-
Net Fixed Assets	1,005.90	1,124.40	437.09	407.76	361.92
Cash and cash equivalents	262.26	265.44	25.70	23.49	17.29
Current Assets	1,555.71	1,680.57	1,413.62	1,363.38	1,350.56
Current Liabilities	562.84	687.81	571.97	608.46	535.18
Capital Employed	2,294.99	2,359.43	1,904.53	1,738.75	1,730.95
FINANCIAL INDICATORS					
Operating EBITDA Margin	39%	44%	46%	45%	48%
Current Ratio	2.76	2.44	2.47	2.24	2.52
Net Worth per share (₹)	153.76	158.07	127.60	116.49	115.97
Dividend per share (₹)	52.00	10.00	32.00	46.00	51.00
Market price per share (₹)	1,164.80	920.00	862.70	1,163.80	1,328.00
Basic Earnings per share (₹)	30.28	59.38	69.57	63.46	63.48



To,

The Members,

Your Directors are pleased to present the thirty fifth report on the business and operations of the Company for the year ended 30th June, 2021.

FINANCIAL RESULTS (STANDALONE)

₹ in Lakhs

Particulars	2020-21	2019-20
Revenue		
- Revenue from operations	25,101.04	35,497.77
- Other Income	1,876.26	1,486.64
Total income	26,977.30	36,984.41
Total expenses	21,102.08	25,093.92
Profit before Tax	5,875.22	11,890.49
Tax expense		
- Current Tax	1,367.69	3,284.82
- Deferred Tax	(11.81)	(258.17)
Net Profit for the year	4,519.34	8,863.84
Other comprehensive income / (loss)	60.49	(55.28)
Total comprehensive income for the year (net of tax)	4,579.83	8,808.56
Profit brought forward from previous year	16,444.84	11,895.88
Profit available for appropriation	21,024.67	20,704.44
Appropriations:		
- Interim dividend	5,224.19	1,492.63
- Dividend distribution tax on interim dividend	-	276.92
- Final equity dividend	-	2,238.94
- Dividend distribution tax on final dividend	-	460.22
- Dividend distribution Tax credit	-	(209.11)
- Balance Carried Forward to Balance Sheet	15,800.48	16,444.84

DIVIDEND

The Company had declared and paid an interim dividend of ₹ 35 per equity share during the year 2020-21.

Your Directors are pleased to recommend a final dividend of ₹ 17 per equity share for the financial year ended 30th June, 2021.

The total dividend for 2020-21 is ₹ 52 per equity share (previous year ₹ 10 per equity share).

The Dividend Distribution Policy of the Company is set out as Annexure "A" and is also uploaded on the Company's

website: <https://w3.accelya.com/investors/>

OPERATING RESULTS

The COVID-19 pandemic, consequent lockdown and travel restrictions in various geographies, has had a negative effect on the Company's revenues which have fallen by 29% from ₹ 35,497.77 lakhs in 2019-20 to Rs. 25,101.04 lakhs in 2020-21. The reduction in the revenues has resulted in the drop in profit before tax from Rs. 11,890.49 lakhs in the previous year to Rs. 5,875.22 lakhs in the year under review. The Company took various cost containment measures during the year, as a result of which the total expenses have been curtailed by 16% to ₹ 21,102.08 lakhs in 2020-21 from ₹ 25,093.92 lakhs in the previous year.

IMPACT OF COVID 19

The COVID-19 pandemic, the country-wide lockdown and the far-reaching travel restrictions in various geographies across the globe have affected the airline and travel industry in an unprecedented way. As the Company's business model is principally based on per transaction pricing, the Company's revenue which is linked to airline passenger transactions suffered from larger impact due to minimum billing agreements with customers. The Board and the management are closely overseeing the Company's efforts in navigating this global crisis, which include, amongst other initiatives, ensuring business continuity, extensive customer out-reach through webinars and video conferencing, managing costs and ensuring safety of our employees. A Special Oversight Committee (SOC) has been constituted to oversee the Company's COVID-19 planning and responses and report to the Board.

BUSINESS OPERATIONS

As a result of last year's merger between Accelya Group and Farelogix, the Company is better positioned to partner with airline to cover the entire passenger journey. The Company has put together roadmap to provide airlines solutions that map the entire Offer-to-Settlement cycle.

With respect to the COVID-19 situation, the Company focused on business continuity, customers and employees.

- o The Company continued to carry out cost-rationalizing measures to conserve cash to address any uncertainties in evolving situations. This includes reducing the cost of human resources (with the consent of relevant employees), travel, marketing and events, etc.
- o The Company supported the customers with webinars and other content that helped them understand and respond to the crisis. The Company also learned insights from the customers, understanding their

problems, adapting and creating value that aligns with their current and future objectives:

SUBSIDIARIES

Pursuant to the provisions of section 129(3) of the Companies Act, 2013 ("the Act"), a statement containing salient features of financial statements of Accelya Solutions Americas Inc. and Accelya Solutions UK Limited, in Form AOC-1 is attached to the financial statements.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and the financial statements of each of the subsidiaries, are available on our website, w3.accelya.com. Further, in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Accounting Standard 21 (AS-21), the Consolidated Financial Statements prepared by the Company include financial information of its subsidiaries.

The Company's Policy for determining material subsidiaries may be accessed on the website of the Company at <https://w3.accelya.com/investors/>

BOARD OF DIRECTORS

Seven meetings of the Board of Directors were held during the year, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database.
- In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

The Board of Directors, based on the declaration(s) received from the Independent Directors, has verified the veracity of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified

in the Listing Regulations and the Companies Act, 2013 and are independent of the management of the Company.

Retirement of Ms. Neela Bhattacharjee

Ms. Neela Bhattacharjee conveyed her decision to retire as Managing Director of the Company with effect from the close of business hours on 30 June, 2021. Ms. Bhattacharjee also decided to step down as director of the Company from the close of business hours on 30 June, 2021.

Ms. Bhattacharjee was with the Company for over 20 years and held many leadership roles including Executive Vice President Financial Solutions. In 2015, she took over as the Managing Director of the Company. Under her leadership, the Company strengthened its product portfolio and increased revenues from existing and new airline customers. As a member of the Leadership Team, Ms. Bhattacharjee helped drive group-wide initiatives.

The Board of Directors places on record its appreciation for the valuable services and immense contribution of Ms. Bhattacharjee in the Company's growth over the years.

Appointment of Mr. Shrimanikandan Ananthavaidhyathan

Mr. Shrimanikandan Ananthavaidhyathan ("Mr. Mani") was appointed as an Additional Director designated as Managing Director by the Board of Directors on 22 June, 2021 effective from 1 July, 2021.

Mr. Mani is a seasoned airline technology leader with more than two decades of technology industry experience in airline application development, management and consultancy. Mr. Mani worked with organizations like Tata Consultancy Services and Sabre to provide technology solutions to global airlines. He also worked with Jet Airways India Ltd as the Chief Information Officer with focus on technology modernisation.

Mr. Mani's areas of interest include enterprise architecture, machine learning, robotics and digital transformation. Mr. Mani received a Masters degree in Computer Science from Bharathidasan University.

The Board is confident that under the able leadership of Mr. Mani as Managing Director, the Company will scale new heights.

The Nomination & Remuneration Committee and the Board recommends the appointment of Mr. Mani as Managing Director of the Company, not liable to retire by rotation.

In terms of the provisions of section 160 (1) of the Companies Act, 2013, the Company has received a notice from a member signifying his intention to propose the



candidature for the appointment of Mr. Mani for the office of Independent Director.

Appointment of Mr. Amol Gupte

Mr. Amol Gupte (DIN: 09160562) was appointed as an Additional Director designated as an Independent Director of the Company with effect from 20 May 2021 for a period of five (5) years, subject to approval of the members of the Company.

Mr. Amol Gupte is a technology leader and has over two decades of management experience in IT Applications and Infrastructure, setting up startups with deep experience in banking technologies and P&L responsibilities across geographies. He was the Managing Director at Accenture and has held leadership positions at startups and global financial institutions. Mr. Gupte is a BE from Bangalore University and has a Masters Degree from Michigan Tech University, USA with an MBA in Marketing Management.

Considering the knowledge, expertise and experience of Mr. Gupte, the Nomination & Remuneration Committee and the Board recommends the appointment of Mr. Gupte as an Independent Director on the Board of the Company, and not liable to retire by rotation. The Company has received declaration from Mr. Gupte that he fulfils the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing Regulations (including statutory re-enactment thereof for the time being in force).

In terms of the provisions of section 160 (1) of the Companies Act, 2013, the Company has received a notice from a member signifying his intention to propose the candidature for the appointment of Mr. Amol Gupte for the office of Independent Director.

Retirement of Mr. Sekhar Natarajan

Mr. Sekhar Natarajan, Non-Executive Independent Director of the Company retired from the Board on 6 July, 2021, upon completion of his tenure.

The Board places on record its sincere appreciation for the immense contribution made by Mr. Sekhar Natarajan as an Independent Director.

Retirement by rotation and re-appointment of Mr. Jose Maria Hurtado

Mr. Jose Maria Hurtado (DIN 08621867) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Jose Maria Hurtado (age 48) is the Chief Financial Officer of Accelya group. He is responsible for the

financial management of Accelya and plays a key role in the definition and implementation of Accelya's strategy, including mergers and acquisitions. Mr. Jose Maria Hurtado started his professional career at KPMG. He joined Accelya in 2007. Prior to joining Accelya, Mr. Jose Maria headed the finance of Siemens VDO Automotive in Spain & France for more than 10 years.

The other details of Mr. Jose Maria Hurtado like the nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to the AGM notice.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees covered under the provisions of the Act. Information regarding investments covered under the provisions of section 186 of the Act is detailed in the financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- in the preparation of the annual accounts for the year ended 30th June, 2021, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2021 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws

and that such systems are adequate and operating effectively.

HUMAN RESOURCE

The Board has not granted any stock options during the year under review. During the year the Company also did not have any options in force. Therefore, the details required to be given under the SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines, 1999 are not being given.

During the year, the Company had cordial relations with its employees. Disclosures with respect to the remuneration of Directors and employees as required under section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure "B".

Details of employee remuneration as required under provisions of section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Financial Statements as set out therein, are being sent to all members of your Company excluding the aforesaid information. The particulars shall be made available to any member on request.

MATERIAL CHANGES AND COMMITMENTS, IF ANY

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2020-21 and the date of this report.

POLICIES

Your Company has formulated Policy on Related Party Transactions, Policy for determining material subsidiaries, CSR Policy and Whistle Blower Policy in terms of the legal requirements. These and other policies are available on the website of the Company at <https://w3.accelya.com/investors/>

RELATED PARTY TRANSACTIONS

All contracts/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

No material related party transactions were entered into during the year by your Company. Accordingly,

the disclosure of related party transactions as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable to your Company.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and entered in the ordinary course of business and are at arm's length.

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide a framework to promote responsible and secure whistle blowing process. It protects employees wishing to raise a concern about serious irregularities within the Company or its employees.

Protected disclosures can be made by a whistle blower through an email or by a phone call to the Ombudsperson appointed under the Policy. No personnel of the Company has been denied access to the audit committee.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees.

The Company did not receive any complaint of sexual harassment during the financial year 2020-21.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Risk Management framework to identify, evaluate and mitigate risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The risk framework defines the risk management approach across the enterprise at various levels.

POLICY ON APPOINTMENT OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT & OTHER EMPLOYEES AND REMUNERATION POLICY

The Company has framed a policy on appointment of directors, key managerial personnel, senior management & other employees and remuneration policy which is annexed as Annexure "C".



CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of section 135 of the Act, your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure "D".

AUDITORS

Statutory Auditors

Your Company at its thirty fourth Annual General Meeting held on 28 October, 2020 had appointed Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W - 100018) as Statutory Auditors of the Company up to the conclusion of the thirty ninth Annual General Meeting. The requirement for the annual ratification of auditor's appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. The Statutory Auditors have confirmed that they satisfy the independence criteria as required under the Act.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed S. N. Ananthasubramanian & Co, Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure E".

SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as Annexure "F".

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance forms part of this report. Business Responsibility Report under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Regulations) Regulations, 2015 forms a part of this report and is annexed herewith as Annexure "G".

FIXED DEPOSITS

During the year your Company has not accepted fixed deposits from the public.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are annexed hereto as Annexure "H".

ACKNOWLEDGMENT

Your directors extend their gratitude to all investors, clients, vendors, banks, financial institutions, regulatory and governmental authorities and stock exchanges for their continued support during the year. The directors place on record their appreciation of contribution made by the employees at all levels for their dedicated and committed efforts during the year.

For and on behalf of the Board of Directors

Shrimanikandan

Ananthavaidhyanathan
Managing Director
(DIN: 09192936)

John Johnston
Chairman
(DIN: 07258586)

Place: Chennai

Date: 5th August, 2021

London

5th August, 2021