**SQS India BFSI Limited**
6A, Sixth Floor, Prince Infocity II
No. 283/3 & 283/4
Rajiv Gandhi Salai (OMR)
Kandanchavadi, Chennai 600096, India

Phone: +91 44 4392 3200
Fax: +91 44 4392 3258
info-india@sqs.com
www.sqs-bfsi.com
CIN: L64202TN1998PLC066604

SEC/SE/196/18-19
Chennai, 21 February, 2019

The Listing Department
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

**Sub: Submission of Notice of Postal Ballot and Postal Ballot Form.**
**Ref: Company Symbol: SQSBFSI**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed Postal Ballot Notice along with a Postal Ballot Form dispatched to the Members of the Company (dispatch completed on February 21, 2019) seeking approval towards:

1. Approval for Buyback of Equity Shares;
2. Appointment of Mr. Ralph Franz Gillessen (DIN 05184138) as Director of the Company;
3. Appointment of Mr. Olivier Aldrin (DIN 08345218) as Director of the Company;
4. Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Director of the Company;
5. Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company;
6. Appointment of Prof. K. Kumar (DIN 02343860) as an Independent Director (Non-Executive) of the Company;
7. Appointment of Prof. S. Rajagopalan (DIN 01584674) as an Independent Director (Non-Executive) of the Company;
8. Appointment of Mr. Rajiv Kuchhal (DIN 02257381) as an Independent Director (Non-Executive) of the Company;
9. Appointment of Mr. Ulrich Bäumer (DIN 06763831) as an Independent Director (Non-Executive) of the Company;
10. To approve the payment of remuneration to Directors other than Managing Director or Whole-time Director and
11. Change in the name of the Company.

The Board of Directors has appointed Mr. M. Alagar, M. Alagar & Associates, Practicing Company Secretaries, Chennai, as the scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The voting (e-voting & physical voting) shall commence on Monday, February 25, 2019, 10.00 a.m. (IST) and ends on

Tuesday, March 26, 2019, 5.00 p.m. (IST). The results of the Postal Ballot will be announced on Thursday, March 28, 2019 at 5.00 p.m. (IST) at the Registered Office of the Company.

We request you to take the same on record and oblige.

Thanking you,

Yours faithfully,
For SQS India BFSI Limited

S. Sampath Kumar
Company Secretary and Compliance Officer
FCS No.3838

Encl: As above

**SQS India BFSI Limited**
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SEC/SE/197/18-19
Chennai, 21 February, 2019

Listing Department
Bombay Stock Exchange Limited
PJ Towers
Dalal Street
Mumbai - 400001

**Sub: Submission of Notice of Postal Ballot and Postal Ballot Form**
**Ref: Company Scrip Code: 533121**

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed Postal Ballot Notice along with a Postal Ballot Form dispatched to the Members of the Company (dispatch completed on February 21, 2019) seeking approval towards:

1. Approval for Buyback of Equity Shares;
2. Appointment of Mr. Ralph Franz Gillessen (DIN 05184138) as Director of the Company;
3. Appointment of Mr. Olivier Aldrin (DIN 08345218) as Director of the Company;
4. Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Director of the Company;
5. Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company;
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7. Appointment of Prof. S. Rajagopalan (DIN 01584674) as an Independent Director (Non-Executive) of the Company;
8. Appointment of Mr. Rajiv Kuchhal (DIN 02257381) as an Independent Director (Non-Executive) of the Company;
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10. To approve the payment of remuneration to Directors other than Managing Director or Whole-time Director and
11. Change in the name of the Company.

The Board of Directors has appointed Mr. M. Alagar, M. Alagar & Associates, Practicing Company Secretaries, Chennai, as the scrutinizer for conducting the Postal Ballot in a fair and transparent manner. The voting (e-voting & physical voting) shall commence on Monday, February 25, 2019, 10.00 a.m. (IST) and ends on

Tuesday, March 26, 2019, 5.00 p.m. (IST). The results of the Postal Ballot will be announced on Thursday, March 28, 2019 at 5.00 p.m. (IST) at the Registered Office of the Company.

We request you to take the same on record and oblige.

Thanking you,

Yours faithfully,
For SQS India BFSI Limited

S. Sampath Kumar
Company Secretary and Compliance Officer
FCS No.3838

Encl: As above

# SQS India BFSI Limited

Regd. Off: 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4,
Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096
TEL No: 044-4392 3200, FAX No: 044-4392 3258, Email: investor.sqsbfsi@sqs.com, Web: www.sqs-bfsi.com, CIN: L64202TN1998PLC066604

## Notice of Postal Ballot

*[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration), Rules, 2014]*

Dear Member(s),

Notice is hereby given pursuant to Section 110 read with Section 108 and other applicable provisions, if any of the Companies Act, 2013 ("Act") read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 including any statutory modification or re-enactment thereof, for the time being in force, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standard on General meetings (SS-2) and any other laws and regulations applicable from time to time, that the resolutions appended below are proposed to be passed as an Ordinary / Special Resolution by way of Postal Ballot / electronic voting (E-Voting).

The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts and the reasons thereof is annexed to the Postal Ballot Notice along with Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. M. Alagar, M/s. Alagar & Associates, (COP No. 8196) as the scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed on the Postal Ballot Form, record assent (FOR) or dissent (AGAINST) therein and return the same in original duly completed and signed in the attached self-addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before the close of working hours, i.e. 5.00, P.M. on Tuesday, March 26, 2019 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the Member.

Kindly note that while exercising their vote, Members of the Company can opt for only one of the two modes of voting, i.e. either through postal ballot form or e-voting. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the notes to the Postal Ballot Notice and instructions on e-voting thereon.

The scrutinizer after completion of the scrutiny will submit his report to the Chairman or Managing Director & CEO or to any other Director of the Company. Upon receipt of the report, result of the Postal Ballot (including e-voting) would be announced by the Chairman or Managing Director & CEO or the Director on Thursday, March 28, 2019 at 5.00 p.m. at the Registered Office of the Company. The results will be intimated to the stock exchanges where the shares of the company are listed, posted on Company's Website at www.sqs-bfsi.com and on the website of CDSL at https://evoting.cdslindia.com.

**SPECIAL BUSINESS:**

Items of Business requiring consent of shareholders through Postal Ballot:

**1. Approval for Buyback of Equity Shares.**

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**RESOLVED that** pursuant to Article 135 of the Articles of Association of the Company and in accordance with the provisions of Sections 68, 69, 70, 110 and other applicable provisions, if any, of the Companies Act, 2013, as amended (**"Companies Act"**), the Companies (Management and Administration) Rules, 2014, as amended (hereinafter referred to as **"Management Rules"**), the Companies (Share Capital and Debentures) Rules, 2014 (**"Share Capital Rules"**), the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended (**"Buyback Regulations"**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**), as amended (including any statutory modifications or re-enactments that may be introduced) from time to time, and subject to approvals, permissions and sanctions of Securities and Exchange Board of India (**"SEBI"**), Registrar of Companies, Chennai (the **"ROC"**) and/ or other authorities, institutions or bodies, as may be applicable (the **"Appropriate Authorities"**) and subject to such conditions and modifications as may be prescribed or imposed by the

Appropriate Authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **"Board"** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded for buyback of its fully paid-up equity shares of Rs. 10/- each (**"Equity Shares"**) not exceeding 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) Equity Shares (representing 4.30% of the total number of Equity Shares of the paid-up Equity Share capital of the Company) at a price of up to Rs. 550/- (Rupees Five hundred and Fifty only) per Equity Share (the **"Buyback Price"**) payable in cash for an aggregate amount not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four lakhs Ninety Two Thousand Eight hundred only) (excluding any expenses incurred or to be incurred for the buyback like filing fee payable to the Securities and Exchange Board of India (**"SEBI"**), advisors' fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc.), (the **"Buyback Size"**), which is not exceeding 25% of the aggregate of the fully paid-up Equity Share Capital and free reserves, as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018, in accordance with the Companies Act and the Buyback Regulations, from the existing shareholders/beneficial owners of the Company, as on record date, on a proportionate basis through a **"tender offer"** as prescribed under the Buyback Regulations (the **"Buyback"**). The total number of Equity Shares to be bought back, i.e. up to 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) Equity Shares (representing 4.30% of the total number of Equity Shares of the paid-up Equity Share capital of the Company) or higher depending upon the final Buyback Price fixed by the Buyback Committee (defined hereinbelow).

**RESOLVED further that** the Company shall, to the extent legally permissible, implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buyback and Delisting" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the "Streamlining the Process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buyback and Delisting of Securities" as prescribed under the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

**RESOLVED further that** such Buyback be made out of the securities premium account and/or out of free reserves or such other sources as may be permitted by law, through "Tender Offer" route and as required by the Buyback Regulations and the Companies Act, the Company may Buyback Equity Shares from all the existing members holding equity shares of the Company as on the Record Date (excluding promoters and promoter group and persons in control, including such persons acting in concert) on a proportionate basis, provided that 15% (Fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or such number of equity shares which small shareholders (as defined under the Buyback Regulations) are entitled to as per their shareholding on the Record Date, (whichever is higher), shall be reserved for small shareholders in terms of the proviso to Regulation 6 of the Buyback Regulations.

**RESOLVED further that** the Buyback shall be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations.

**RESOLVED further that** in terms of the Buyback Regulations, in the event of non-fulfilment of the obligations under the Buyback Regulations by the Company, the monies deposited in the escrow account in full or in part shall be forfeited and distributed pro rata amongst the security-holders who accepted the offer and balance if any shall be utilized for investor protection in accordance with Buyback Regulations.

**RESOLVED further that** the Buyback from non-resident shareholders, overseas corporate bodies (OCBs) and foreign institutional investors (FIIs) and shareholders of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required including approvals from the Reserve Bank of India under the applicable Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any and that such approvals shall be required to be taken by such shareholders themselves.

**RESOLVED further that** a committee of the Board be and is hereby constituted for the purposes of the proposed Buyback (**"Buyback Committee"**), comprising of Mr. Balaji Viswanathan, Managing Director & CEO, Prof. K. Kumar, Deputy Chairman and Director, Prof. S. Rajagopalan, Director and Mr. Rajiv Kuchhal, Director of the Company, who are hereby jointly and / or severally authorised to do or cause to be done all such acts, deeds, matters and things and execute and sign all such documents and papers and provide all such information and confirmations, as may be necessary for the implementation of the Buyback, including but not limited to:

(a) finalizing the terms of the Buyback including the mechanism for the Buyback, Record Date, entitlement ratio, schedule of activities, opening and closing date of the Buyback, time frame for completion of the Buyback and the final Buyback Price;

(b) opening, operating and closing of all necessary accounts including bank accounts, depository account (including escrow) as per applicable law for the purpose of payment, and, authorizing persons to operate the said accounts;

(c) entering into escrow arrangements as may be required in terms of the Buyback Regulations;

(d) arranging for bank guarantees as may be necessary for the Buyback in accordance with applicable law;

(e) preparation, finalisation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, Registrar of Companies, Chennai, the stock exchanges and other appropriate authority(ies);

(f) signing, executing and delivering such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, Reserve Bank of India, Registrar of Companies, Chennai, stock exchanges, depositories and/or other appropriate authorities;

(g) completing any process or requirements to procure approval of the members of the Company for the proposed Buyback during the postal ballot process;

(h) approving the explanatory statement to be annexed to the meeting of the shareholders of the Company in relation to the proposed Buyback, if required;

(i) appointment of lawyers, bankers, depository participants and other intermediaries, agencies, advisors, advertising agencies, consultants or representatives and to decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc and enter into agreements/ letters in respect thereof;

(j) determining limits on the participation of the promoters of the Company in the Buyback, if any;

(k) making all necessary applications, providing all necessary information and documents to, and representing the Company before third parties, including, statutory auditors, in relation to the Buyback;

(l) taking all actions for obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;

(m) taking all actions for extinguishment of dematerialised shares and physical destruction of the share certificates in respect of the Equity Shares bought back by the Company;

(n) proposing the final acceptance of shares tendered under the Buyback process;

(o) proposing and accepting any change(s) or modification(s) in the Buyback mechanism and the documents connected with the said Buyback including declaring a reduction/extension of the Buyback offer period, as may be deemed fit and necessary in compliance with applicable law;

(p) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the "Streamlining the Process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buy Back and Delisting of Securities" as prescribed under the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016;

(q) settling and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;

(r) any other action as may be necessary for the completion of the Buyback; and

(s) delegation of all or any of the authorities conferred above to any executive, officer and/or representative of the Company, in order to give effect to the Buyback.

**RESOLVED further that** nothing contained herein shall confer any right on the part of any shareholder to offer and / or any obligation on the part of Company or the Board or the Buyback Committee to Buyback any shares, and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by law.

**RESOLVED further that** for the purpose of giving effect to this resolution, the Board and the Buyback Committee be and are hereby jointly and/or severally empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and the Buyback Committee, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**2. Appointment of Mr. Ralph Franz Gillessen (DIN 05184138) as Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**RESOLVED that** pursuant to the provisions 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. Ralph Franz Gillessen (DIN - 05184138), who was appointed as an Additional Director by the Board of Directors of the Company with effect from August 9, 2018, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director & CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution.

**3. Appointment of Mr. Olivier Aldrin (DIN 08345218) as Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**RESOLVED that** pursuant to the provisions 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. Olivier Aldrin (DIN - 08345218), who was appointed as an Additional Director by the Board of Directors of the Company with effect from January 31, 2019, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the Office of Director of the Company, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director & CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution.

**4. Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**RESOLVED that** pursuant to the provisions 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. Balaji Viswanathan (DIN 06771242), who was appointed as an Additional Director by the Board of Directors of the Company with effect from September 1, 2018, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the Office of Director of the Company, be and is hereby appointed as a Director of the Company.

**RESOLVED further that** the Board of Directors of the Company, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution.

**5. Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**RESOLVED that** pursuant to Section 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended, approval of the Members of the Company be and is hereby accorded for appointment of Mr. Balaji Viswanathan (DIN 06771242) as the Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company for a period of 3 years from September 01, 2018 to August 31, 2021 on the terms and conditions including remuneration, as per the agreement to be entered into by the Company with Mr. Balaji Viswanathan and as set out hereunder:

I. Salary Compensation : Rs. 1,65,50,000 Annually split into Fixed and Variable Part as below:

a. Fixed Pay : Rs. 1,15,50,000 Annually

b. Variable Pay : Rs. 50,00,000 Annually

II. Variable Pay : The Variable compensation shall be based on the achievement of a set of parameters as may be decided by the Board of Directors of the Company or any Committee thereof from time to time.

III. Commission : Such percentage of net profits of the Company or such other quantum of the net profits of the Company as may be approved by the Board of Directors, at its absolute discretion, for each financial year, subject to the total remuneration in any financial year not exceeding the limits permitted from time to time under Section 197 read with Section 198 and Schedule V of the Companies Act, 2013, as amended from time to time.

IV. Payment of bonus : Shall be eligible for bonus payment based on evaluation as per the criteria fixed by the Nomination and Remuneration Committee / Board of Directors and on their approval, subject to the overall limits specified by the Companies Act, 2013, as amended from time to time.

V. Perquisites :

In addition to the salary, Mr. Balaji Viswanathan will be entitled to the following perquisites:

a. Reimbursement of medical expenses covering medical treatment in India for self and family - Subject to ceiling of one month's basic salary per annum.

b. Premium for medical insurance under the group medical policy of the Company.

c. Fees, subscription and other incidental charges to clubs, subject to a maximum of two clubs including admission and life membership fee.

d. Payment of premium on personal accident insurance as per the Company policy.

e. Company's contribution to provident fund and pension / superannuation fund, as per the rules of the Company.

f. Gratuity as per the rules of the Company.

g. Provision of chauffer driven company car for use on Company's business purposes and use of car for private purposes will be dealt by the Company as per the applicable provisions under the Income Tax Rules, 1962 or any re-enactment thereof.

h. Telecommunication facilities at residence.

i. Perquisites shall be evaluated as per the Income-tax Rules, 1962 or any re-enactment thereof, wherever applicable. In the absence of any such rules, the perquisites shall be evaluated at actual costs.

VI. Other Benefits:

a. Leave encashment will be as per the policy of the Company.

b. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.

c. Such other benefits, amenities and facilities as may be provided by the Company to other senior executives from time to time.

d. Such other benefits, amenities and facilities including those under the Special Post Retirement Benefits Scheme as per the rules of the Company.

VII. The Board may revise the remuneration payable to the Managing Director & Chief Executive Officer, during any financial year during currency of the tenure of office, in such manner as may be agreed to between the Board of Directors and the Managing Director & Chief Executive Officer subject to the condition that the total remuneration by way of salary, perquisites, commission, other allowances and other benefits, shall be within the limits permissible under Section 197 of the Companies Act, 2013, as amended.

VIII. Annual Increment: Mr. Balaji Viswanathan shall be entitled to annual increment of not exceeding 10% per annum, subject to evaluation by Nomination and Remuneration Committee and approval by the Board of Directors.

IX. Minimum remuneration In the event of any loss or inadequacy of profits for any financial year - the Board of Directors / Nomination and Remuneration Committee of the Board shall approve the remuneration payable to Managing Director & Chief Executive Officer, during such financial year, in such manner as may be agreed to between the Board of Directors / Nomination and Remuneration Committee of the Board and the Managing Director & Chief Executive Officer, however not exceeding the maximum limits specified in this behalf under Section 197 read with Schedule V to the Companies Act, 2013, as amended.

X. In the event of loss of office as Managing Director & Chief Excutive officer, the Managing Director & Chief Excutive officer shall be paid compensation in the manner and to the extent and subject to the limits or priorities prescribed under Sections 191 and 202 of the Companies Act, 2013 and rules made thereunder, as amended.

XI. The abovementioned remuneration allowed to the Managing Director and Chief Executive Officer shall be in accordance with Sections 196 and 197 read with Schedule V of the Companies Act, 2013, as amended, and / or such changes, variations and substitutions as may be made therein by the Central Government from time to time.

XII. The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied with the approval of the Shareholders in the light of and in conformity with any amendments to the relevant provisions of the Companies Act, 2013, as amended, and / or the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time.

XIII. Mr. Balaji Viswanathan shall not be entitled to any sitting fee for meetings of the Board of Directors or Committee thereof attended by him during the said tenure.

XIV. Mr. Balaji Viswanathan shall exercise such of the powers as may be delegated from time to time by the Board of Directors.

XV. The period of office of Mr. Balaji Viswanathan shall be liable to determination by retirement of directors by rotation. If Mr. Balaji Viswanathan is re-appointed as a director, immediately on retirement by rotation, he shall continue to hold office of Managing Director & Chief Executive Officer and such reappointment as director shall not be deemed to constitute break in his appointment as a Managing Director & Chief Executive Officer.

XVI. The appointment can be terminated by Mr. Balaji Viswanathan or by the Company, by either party giving to the other 6 (six) calendar months' prior notice in writing.

XVII. Mr. Balaji Viswanathan can resign from the above position before the conclusion of the service period, by giving the Company 6 (six) calendar months' notice in writing or by obtaining prior approval of the Board of Directors. In such an event 'Compensation' as mentioned in Clause X above shall not be applicable.

**RESOLVED further that** the Board of Directors of the Company be and is hereby authorized to vary and/or modify the terms and conditions of the Service Agreement that may be entered into including remuneration payable to Mr. Balaji Viswanathan in such manner as may be agreed between the Board of Directors and Mr. Balaji Viswanathan and within the limits as prescribed in Schedule V of the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof.

**RESOLVED further that** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Balaji Viswanathan, the remuneration mentioned in the above referred service agreement shall be paid to Mr. Balaji Viswanathan as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V of the Companies Act, 2013, as amended from time to time.

**RESOLVED further that** any revision in the remuneration payable to Mr. Balaji Viswanathan shall be within the overall limits as approved by the Members in terms of this resolution and as recommended by the Nomination and Remuneration Committee to the Board of Directors for its approval, from time to time.

**RESOLVED further that** the Board of Directors of the Company, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company be and are hereby severally authorized to file necessary forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to this resolution.

**6. Appointment of Prof. K. Kumar (DIN 02343860) as an Independent Director (Non-Executive) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Prof. K. Kumar (DIN - 02343860), who was appointed as an Independent Director (Non-Executive) of the Company for a term up to March 31, 2019 by the Shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Prof. K. Kumar (DIN - 02343860) as a candidate for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 and shall hold office up to March 31, 2024, not liable to retire by rotation.

**RESOLVED further that** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Prof. K. Kumar be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director & CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised on behalf of the Company to do all such other acts, deeds and things as may be necessary to give effect to the aforesaid resolution.

**7. Appointment of Prof. S. Rajagopalan (DIN 01584674) as an Independent Director (Non-Executive) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Prof. S. Rajagopalan (DIN - 01584674), who was appointed as an Independent Director (Non-Executive) of the Company for a term up to March 31, 2019 by the Shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Prof. S. Rajagopalan (DIN - 01584674) as a candidate for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 and shall hold office up to March 31, 2024, not liable to retire by rotation.

**RESOLVED further that** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Prof. S. Rajagopalan be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director & CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised on behalf of the Company to do all such other acts, deeds and things as may be necessary to give effect to the aforesaid resolution.

**8. Appointment of Mr. Rajiv Kuchhal (DIN 02257381) as an Independent Director (Non-Executive) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Rajiv Kuchhal (DIN - 02257381), who was appointed as an Independent Director (Non-Executive) of the Company for a term up to March 31, 2019 by the Shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Rajiv Kuchhal (DIN - 02257381) as a candidate for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 and shall hold office up to March 31, 2024, not liable to retire by rotation.

**RESOLVED further that** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajiv Kuchhal be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director & CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised on behalf of the Company to do all such other acts, deeds and things as may be necessary to give effect to the aforesaid resolution.

**9. Appointment of Mr. Ulrich Bäumer (DIN 06763831) as an Independent Director (Non-Executive) of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Ulrich Bäumer (DIN 06763831), who was appointed as an Independent Director (Non-Executive) of the Company for a term up to March 31, 2019 by the Shareholders, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Ulrich Bäumer (DIN 06763831) as a candidate for the office of a Director of the Company, be and is hereby re-appointed as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 and shall hold office up to March 31, 2024, not liable to retire by rotation.

**RESOLVED further that** pursuant to the provisions of Sections 149, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ulrich Bäumer be paid such fees and remuneration and profit related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

**RESOLVED further that** Mr. Balaji Viswanathan, Managing Director & CEO, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised on behalf of the Company to do all such other acts, deeds and things as may be necessary to give effect to the aforesaid resolution.

**10. To approve the payment of remuneration to Directors other than Managing Director or Whole-time Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED that** pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a sum not exceeding One percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, as amended, be paid to and distributed amongst the Directors, other than the Managing Director or Whole-time Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each financial year, for a period of Five financial years commencing from April 01, 2019.

**RESOLVED further that** the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED further that** the Board of Directors be and are hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this resolution.

**11. Change in the name of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

**RESOLVED that** pursuant to the provisions of Section 4, 5 13, 14 and 15 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder, (including any statutory modification or re-enactment thereof for the time being in force) and any other applicable law(s), rule(s), regulation(s), guideline(s), the provisions of the Memorandum and Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval of office of the Registrar of Companies, Chennai and/or any other authority as may be necessary, the consent of the members be and is hereby accorded to change the name of the Company from **"SQS India BFSI Limited"** to **"Expleo Solutions Limited"**.

**RESOLVED further that** consequent to the change, the name SQS India BFSI Limited wherever appearing in the Memorandum and Articles of Association, documents, etc., be substituted by the new name Expleo Solutions Limited upon approval of the same by the Central Government.

**RESOLVED further that** the Board of Directors of the Company, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer, be and are hereby severally authorized to make the necessary application to the office of the Registrar of Companies, Chennai, Central Government for the approval of the aforesaid name and to take all such steps that may be required to give effect to this resolution.

**By order of the Board of Directors**
**For SQS India BFSI Limited**

**S. Sampath Kumar**
**Company Secretary & Compliance Officer**

Date: February 11, 2019
Place: Chennai

**Notes:**

1. **A statement Annexed to the Postal Ballot Notice and as required under Section 102 of the Companies Act, 2013, read with rules made thereunder, as amended, setting out material facts and reasons for the aforesaid Ordinary / Special Resolutions are appended herewith.**
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members / List of Beneficial Owners and as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, February 15, 2019. The Postal Ballot Notice is being sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent (in case of physical shareholding). For Members whose email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage prepaid self-addressed Business Reply Envelope.
3. A member desiring to exercise vote by Postal Ballot is requested to read the instructions for Postal Ballot carefully and return the Postal Ballot Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutiniser on or before 5.00 p.m. on Tuesday, March 26, 2019, failing which, it will be strictly considered that no reply has been received from the Member.
4. The Scrutiniser will submit his report to the Chairman or Managing Director & CEO or any other Directors of the Board after completion of the scrutiny and the results of the postal ballot will be declared by the Chairman or Managing Director & CEO or Director present on **Thursday, March 28, 2019, at 5.00 p.m.** at the Registered Office of the Company at 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096.
5. An Ordinary Resolution to be considered as duly passed must receive more than half of the votes cast in favour of the resolution. A Special Resolution to be considered as duly passed must receive not less than three times of the votes cast in favour of the resolution. Such votes may be cast by Postal Ballot or E-voting.
6. The Resolution, if passed by requisite majority through Postal Ballot shall be deemed to have been passed at a General Meeting of the Members of the Company. Further in terms of Clause 16.6.3. of Secretarial Standard–2, the resolution shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting (i.e., Tuesday, March 26, 2019).
7. As per the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and also in terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing members a facility to exercise their right to vote on the postal ballot by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited. A Member cannot exercise his vote by proxy on postal ballot.
8. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date i.e. **Friday, February 22, 2019.**
9. All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during office hours on all working days excluding Saturday, from the date of dispatch of the Notice up to Tuesday, March 26, 2019.
10. The Members can opt for only one mode of voting, i.e., either by physical Postal Ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot Form will be treated as invalid.
11. Members who have received Postal Ballot notice by email and who wish to vote through physical Postal Ballot Form or in case a member is desirous of obtaining a duplicate Postal Ballot Form, he or she may send an e-mail to investor.sqsbfsi@sqs.com or write to Cameo Corporate Services Limited, Registrar and Transfer Agents, Unit : SQS India BFSI Limited, 'Subramanian Building', No.1, Club House Road, Chennai – 600 002. The Registrar and Share Transfer Agent / Company shall forward the same along with postage prepaid self-addressed Business Reply Envelope to the Member.
12. The results of the postal ballot along with the scrutiniser's report will be hosted on the Company's website – https://www.sqs-bfsi.com and will also be displayed on the notice board of the Company at its registered office within 2 days from the submission of the report by the Scrutinizer. The results shall also be communicated to the stock exchanges.

**Instruction for Remote e-voting**

In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to offer e-voting facility as an alternate, to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

**The instructions for shareholders voting electronically are as under:**

(i) The voting period begins on Monday, February 25, 2019 at 10.00 a.m. and ends on Tuesday, March 26, 2019 at 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, February 22, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <SQS India BFSI Limited> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com.**
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) Shareholders whose email id is registered with depositories are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from www.sqs-bfsi.com or send an e-mail to investor.sqsbfsi@sqs.com seek duplicate Postal Ballot Form from Cameo Corporate Services Limited, Registrar & Share Transfer Agent, unit: SQS India BFSI Limited, 'Subramanian Building', No.1, Club House Road, Chennai – 600 002, fill in the details and send the same to the Scrutinizer.

(xxii) Kindly note that the Shareholders can opt only one mode of voting, i.e., either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Postal Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Postal Ballot will be treated as invalid.

(xxiii) Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted.

(xxiv) The voting rights of Shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on closing hours of Friday, February 22, 2019.

(xxv) The e-voting period commences from Monday, February 25, 2019 (10.00 am) IST and ends on Tuesday, March 26, 2019 (5.00 pm) IST. The e-voting module shall be disabled by CDSL for voting thereafter.

**STATEMENT OF MATERIAL FACTS PURSUANT TO**

**SECTION 102(1) AND SECTION 110 OF THE COMPANIES ACT, 2013**

**Item no.1: Approval for Buyback of Equity Shares.**

As per the relevant and other applicable provisions of Companies Act and Buyback Regulations, this Explanatory Statement contains relevant and material information to enable the members holding equity shares of the Company to consider and approve the Special Resolution for the Buyback of the Company's equity shares.

Requisite details relating to the Buyback are given below:

**(a) Necessity for the Buyback.**

Share buyback is the acquisition by a company of its own shares. Board of the Company is of the view that the proposed Buyback will help the Company achieve the following objectives: (a) optimizing returns to shareholders; (b) enhancing overall shareholders value; (c) optimize the capital structure of the Company. The Board at its meeting held on January 31, 2019, considered this and after having taken into consideration the liquidity and financial position of the Company decided to allocate a sum of amount not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only) for returning to the members holding equity shares of the Company through the Buyback.

After considering several factors and benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) equity shares (representing 4.30% of the total number of equity shares in the paid-up share capital of the Company) at a price of up to Rs. 550/- (Indian Rupees Five hundred and Fifty only) per equity share for an aggregate amount not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only). Buyback is a more efficient form of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

(i) The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;

(ii) The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";

(iii) The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of equity shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment;

(iv) The Buyback may help in improving return on equity, by reducing in the equity base, thereby leading to long term increase in shareholders' value; and

(v) The Buyback will help to optimize the capital structure.

The above objectives will be achieved by returning part of surplus cash back to shareholders through the Buyback process. This will lead to reduction in outstanding shares, improvement in earnings per share and enhanced return on invested capital. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

The Buyback is not likely to cause any material impact on the profitability or earnings of the Company except a reduction in the treasury income, which the Company could have otherwise earned. Assuming full acceptance, the funds deployed by the Company towards the Buyback would be approximately Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only). This shall impact the treasury income earned by the Company, on account of reduced amount of funds available for making investments.

The Buyback is expected to result in overall enhancement of the shareholders' value and will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

The post Buyback debt-equity ratio of the Company will be less than 2:1, as prescribed by Section 68 of the Companies Act, assuming full acceptance by the shareholders.

**(b) Maximum amount required for the Buyback, its percentage of the total paid-up capital and free reserves and the sources of funds from which the Buyback would be financed**

The maximum amount required for the Buyback will not be exceeding Rs.25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only) excluding transaction costs like filing fees payable to Securities and Exchange Board of India and other expenses such as advisors' fees, public announcement and publication expenses, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, printing and dispatch expenses and other incidental and related expenses. The said amount works out to 25% of the aggregate of the fully paid-up share capital and free reserves, of the Company as per the audited standalone financial results for the financial year ended March 31, 2018, which is not exceeding the prescribed limit of 25%. The Buyback shall be made by the Company from its current surplus and / or cash balances and / or internal accruals of the Company and of such terms and conditions as the Board may decide from time to time in the absolute discretion of the Board as it may deem fit. The Company shall transfer from its free reserves, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.

The Company confirms that as required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buyback.

The funds borrowed by the Company, if any, from banks and financial institutions will not be used for the Buyback.

**(c) Buyback Price and the basis of arriving at the Buyback Price.**

The Equity Shares of the Company are proposed to be bought back at a price of up to Rs. 550/- (Rupees Five hundred and Fifty only) per Equity Share (the **"Buyback Offer Price"**). The Buyback Offer Price has been arrived at after considering various factors such as the average closing prices of the equity shares of the Company on stock exchanges where the equity shares of the Company are listed, the net worth of the Company and the impact of the Buyback on the key financial ratios of the Company.

The Buyback Offer price of up to Rs. 550/- (Rupees Five hundred and Fifty only) per Equity Share represents:

i. premium of 30.5% and 29.7% over the closing prices of the equity shares on the BSE Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"**) (collectively referred to as the **"Stock Exchanges"**), respectively on January 28, 2019, being the date on which the Company intimated the Stock Exchanges of the date of the meeting of the Board wherein proposal of the Buyback was considered; and

ii. premium of 22.19% and 21.95 % over the volume weighted average market price of the equity shares on BSE and NSE, respectively for a period of one month preceding January 28, 2019, being the date on which the Company intimated the Stock Exchanges of the date of the meeting of the Board wherein proposal of the Buyback was considered.

**(d) Method to be adopted for the Buyback.**

The Buyback shall be on a proportionate basis from all the members holding equity shares of the Company through the "Tender Offer" route, as prescribed under the Buyback Regulations and the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the "Streamlining the Process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buy Back and Delisting of Securities" as prescribed under the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016. The Buyback will be implemented in accordance with the Companies Act and the Share Capital Rules to the extent applicable, and the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date (the **"Record Date"**) to determine the names of the members holding equity shares of the Company who will be eligible to participate in the Buyback.

In due course, each shareholder as on the Record Date, will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback.

The equity shares to be bought back as a part of the Buyback are divided in two categories:

(i) reserved category for small shareholders; and

(ii) the general category for all other shareholders.

As defined in Regulation 2(i)(n) of the Buyback Regulations, a "small shareholder" is a shareholder who holds equity shares having market value, on the basis of closing price on recognized stock exchanges as on Record Date, of not more than Rs.2,00,000/- (Rupees Two Lakhs Only).

In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of equity shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder".

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of equity shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding equity shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding equity shares of the Company may also accept a part of their entitlement. Members holding equity shares of the Company, excluding promoters and promoter group and persons in control, including such persons acting in concert, also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of equity shares held by the shareholder as on the Record Date.

The equity shares tendered as per the entitlement by members holding equity shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback is expected to be done using the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the "Streamlining the Process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buy Back and Delisting of Securities" as prescribed under the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

Detailed instructions for participation in the Buyback (tender of equity shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the members holding equity shares of the Company as on the Record Date.

**(e) Time limit for completing the Buyback.**

The Buyback is proposed to be completed within 12 months from the date of special resolution approving the proposed Buyback.

**(f) Compliance with Section 68(2)(c) of the Companies Act.**

The aggregate paid-up equity share capital and free reserves of the Company as at March 31, 2018 is Rs. 107,103,810 (Rupees Ten Crores Seventy One Lakhs Three Thousand Eight Hundred and Ten Only). Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e. up to Rs. 25,34,92,905/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Nine Hundred and Five Only). The maximum amount proposed to be utilized for the Buyback, is not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only) which is 25% of the Company's fully paid-up share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018 (the last audited standalone financial statements available as on the date of Board Meeting recommending the proposal of the Buyback).

Further, under the Companies Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) Equity Shares. Since the Company proposes to Buyback up to 4,60,896 Equity Shares, it is within the aforesaid 25% limit.

**(g) Details of shareholding.**

The aggregate shareholding of the promoters and of the directors of the promoter where promoter is a company and of persons who are in control of the Company, and of the promoter group, directors and key managerial personnel of the Company as on the date of this Notice:

| Sl. No. | Name of shareholder | No. of Equity Shares held | No. of Equity Shares held in dematerialized form | Percentage of issued Equity Share capital |
|---|---|---|---|---|
| 1. | SQS Software Quality Systems AG (Promoter) | 57,58,804 | 57,58,804 | 53.75% |
| 2. | Rajiv Kuchhal (Director) | 67,692 | 67,692 | 0.63% |
| 3. | K Kumar (Director) | 11,000 | 11,000 | 0.10% |
| 4. | S Rajagopalan (Director) | 1,000 | 1,000 | 0.01% |
| 5. | Phani Tangirala (Key Managerial Personnel) | 17,320 | 17,320 | 0.16% |
| 6. | S. Sampath Kumar (Company Secretary and Compliance Officer) | 5 | 5 | 0.00% |

**(h)** No shares or other specified securities in the Company were either purchased or sold by the promoters and directors of the promoters, where the promoter is a company and by persons who are in control of the Company, and of the promoter group, directors and key managerial personnel of the Company, during a period of 6 months preceding the date of the Board meeting at which the Buyback was approved and from that date till the date of notice of postal ballot for Buyback.

**(i) Intention of the Promoter and Promoter Group to participate in the Buyback.**

The Promoter and Promoter Group of the Company vide their letters dated January 31, 2019 have confirmed that they will not be participating in the Buyback. However, the key managerial personnel of the Company may participate in the Buyback.

**(j) Confirmations from the Company as per the provisions of the Buyback Regulations and Companies Act.**

The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.

(i) The Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of subsisting obligations.

(ii) The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to Buyback is made.

(iii) The Company shall not Buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

(iv) The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.

(v) The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

**(k) Confirmation from the Board of Directors.**

The Board of Directors of the Company has made a full enquiry into the affairs and prospects of the Company and confirms that:

(i) immediately following the date of the Board meeting approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts and it shall ensure that this continues to be the case on the date on which the results of shareholders' resolution passed by way of postal ballot/ e-voting (**"Postal Ballot Resolution"**) will be declared.

(ii) as regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date of Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the

Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date Postal Ballot Resolution; and

(iii) in forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

**(I)** Report addressed to the Board of Directors by Kalyaniwalla & Mistry LLP, Chartered Accountants, the Statutory Auditor of the Company on permissible capital payment and opinion formed by the Board of Directors regarding insolvency.

The text of the Report from the Statutory Auditor of the Company dated January 31, 2019 addressed to the Board is reproduced below:

**Statutory Auditor's Report in respect of proposed buy-back of equity shares by SQS India BFSI Limited (the "Company") pursuant to the requirement of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "Buy-back Regulations")**

To,

The Board of Directors

SQS India BFSI Limited

6A, Sixth Floor, Prince Infocity II,

No. 283/3 & 283/4,

Rajiv Gandhi Salai (OMR), Kandanchavadi,

Chennai – 600096.

1. This Report is issued in accordance with the terms of the email dated January 23, 2019 received from the Company's management and master engagement agreement dated August 10, 2017 with **SQS India BFSI Limited** (hereinafter referred to as the **"Company"**).

2. In connection with the proposal of the Company to buy-back its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the **"Act"**) and the Buy-Back Regulations, and in terms of the resolution passed by the directors of the Company in their meeting held on January 31, 2019, which is subject to the approval of the shareholders of the Company through a postal ballot, we have been engaged by the Company to perform a reasonable assurance engagement on the statement of determination of the amount of permissible capital payment (including premium) (**"Annexure A"**) (the **"Statement"**), which we have initialed for identification purposes only.

**Board of Directors Responsibility for the Statement**

3. The preparation of the Statement in accordance with Section 68 (2) (c) of the Act and the compliance of the Buy-back Regulations, of determination of the amount of permissible capital payment for the buy-back is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance:

   (i) whether we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements as at and for the year ended March 31, 2018;

   (ii) if the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited standalone financial statements as at March 31, 2018 in accordance with Section 68 (2) (c) of the Act; and

   (iii) if the Board of Directors of the Company, in their meeting held on January 31, 2019 have formed the opinion as specified in clause (x) of Schedule I to the Buy-back Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders' resolution with regard to the proposed buy-back are declared.

5. The audited standalone financial statements for the year ended March 31, 2018 have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 04, 2018. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing as specified under Section 143(10) of the Act and

other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the audited standalone financial statements are free of material misstatement.

6. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on inquiries conducted and our examination as above, we report that,

   (i) we have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended March 31, 2018;

   (ii) The amount of permissible capital payment (including premium) towards the proposed buy-back of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2)(c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended March 31, 2018; and

   (iii) the Board of Directors, in their meeting held on January 31, 2019, have formed their opinion, as specified in clause (x) of Schedule I to the Buy-back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from date of passing of the board resolution dated January 31, 2019 and from the date on which the results of the shareholders' resolution with regard to the proposed buy-back are declared.

**Restriction on Use**

9. The report is addressed to and provided to the Board of Directors of the Company (i) in connection with the proposed buy-back of equity shares by the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buy-back Regulations, (ii) solely to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to the buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

**For KALYANIWALLA & MISTRY LLP**
**CHARTERED ACCOUNTANTS**
**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

Place: Chennai

Date: January 31, 2019

## Annexure A

**SQS India BFSI Limited**

**Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68 of the Act**

| Particulars | March 31, 2018 (₹ unless otherwise stated) |
|---|---|
| Equity share capital | 107,103,810 |
| **Total (A)** | **107,103,810** |
| | |
| **Reserves** | |
| General reserve | 181,091,695 |
| Retained Earnings | 531,250,110 |
| Securities premium account | 193,223,296 |
| Employee Stock Option Compensation Reserve | 1,302,708 |
| **Total (B)** | **906,867,809** |
| | |
| **Grand Total (A+B)** | **1,013,971,619** |
| | |
| **Maximum amount permissible for the Buy-back (as approved by the Board of Directors of the Company vide a resolution dated January 31, 2019, subject to the approval of the shareholders of the Company through a postal ballot, based on the audited standalone financial statements of the Company for the financial year ended March 31, 2018).** | **253,492,800** |
| | |
| **Permissible capital payment towards buy-back of equity shares in accordance with Section 68 (2) of the Act (25% of paid up equity capital and free reserves).** | **253,492,905** |

**Note:**

a) Calculation in respect of Permissible Capital Payment for Buy-back of Equity Shares is done on the basis of the audited standalone financial statements for the year ended March 31, 2018.

**For KALYANIWALLA & MISTRY LLP**
**CHARTERED ACCOUNTANTS**
**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

Place: Chennai

Date: January 31, 2019

For any clarifications related to the Buyback process, members holding equity shares of the Company may contact Mr. S. Sampath Kumar, Company Secretary and Compliance Officer at 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096.

All the material documents referred to in the Explanatory Statement such as the Articles of Association of the Company, relevant Board resolution for the Buyback, the report of the Statutory Auditor of the Company dated January 31, 2019 and the audited accounts of the Company for the financial year ended 31 March, 2018 are available for inspection by the members of the Company at its registered office at 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096 on any working day between 10.00 am and 5.00 pm up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its members holding equity shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

**Item No.2: Appointment of Mr. Ralph Franz Gillessen (DIN 05184138) as Director of the Company.**

Mr. Ralph Franz Gillessen (Aged: 49 years) is the Additional Director of the Company. He joined the Board of Directors of the Company on August 9, 2018.

**Profile of Mr. Ralph Franz Gillessen (DIN - 05184138):**

Ralph Gillessen (born in 1969) is COO providing the global leadership of the sales teams and is responsible for assuring client delivery and resource management.

He ensures that the company has the proper operational controls, procedures, and systems in place to effectively grow the organisation and to ensure financial strength and operating efficiency.

Ralph has joined SQS in 2002 and has worked in various senior sales and consultancy positions. He headed SQS' largest profit centre, Central Europe Middle East (CEME), for two years before he entered the board as CMO by internal promotion in January 2013.

Mr. Ralph Franz Gillessen does not hold any equity shares in the Company.

Companies / Body Corporate other than SQS India BFSI Limited in which Mr. Ralph Franz Gillessen holds directorships and committee memberships are as under:

**Directorships:**

1. SQS Software Quality Systems AG
2. SQS India Infosystems Private Limited
3. SQS BFSI INC., USA
4. SQS Group Management Consulting GmbH, Austria
5. SQS Group Management Consulting GmbH, Germany
6. SQS Egypt S.A.E
7. SQS Group Limited, UK
8. SQS Ireland Limited
9. Trissential LLC
10. SQS Software Quality Systems Ges. mbH
11. SQS BFSI FZE., UAE
12. Assystem Deutschland Holding

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Mr. Ralph Franz Gillessen (DIN - 05184138), was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from August 9, 2018 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the office of Non-Executive Director of the Company, liable to retire by rotation.

In terms of Section 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. Ralph Franz Gillessen being eligible and offering himself for appointment, is proposed to be appointed as Non-Executive Director of the Company. A notice has been received from a member proposing Mr. Ralph Franz Gillessen as a candidate for the office of Director of the Company under Section 160 of the Companies Act, 2013.

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. Ralph Franz Gillessen as a Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ralph Franz Gillessen as a Non-Executive Director, for the approval by the shareholders of the Company.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Mr. Ralph Franz Gillessen, being an appointee, Mr. René Gawron, Non-Executive Director and Mr.Oliver Aldrin, Additional Director, Nominee Directors of SQS Software Quality Systems AG, Germany, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 2. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item No.3: Appointment of Mr. Olivier Aldrin (DIN 08345218) as Director of the Company.**

Mr. Olivier Aldrin (Aged: 51 years) is the Additional Director of the Company. He joined the Board of Directors of the Company on January 31, 2019.

**Profile of Mr. Olivier Aldrin (DIN 08345218):**

Mr. Olivier Aldrin, is the Chief Executive Officer of Assystem Technologies.

After starting his career at Arthur Andersen, Mr. Olivier Aldrin has held the positions of Chief Financial Officer and Deputy Chief Executive Officer at various digital services companies (Serete, Thales IS, Ingenico, Econocom). His previous roles include, Deputy General Manager in charge of Finance at Altran Technologies and CEO of Assystem Technologies Group.

Olivier is a graduate of Neoma Business School (France).

Mr. Olivier Aldrin does not hold any equity shares in the Company.

Companies / Body Corporate other than SQS India BFSI Limited in which Mr. Olivier Aldrin holds directorships and committee memberships are as under:

**Directorships:**

1. Assystem Technologies Groupe
2. Assystem Technologies
3. Assystem Talent International Management
4. Assystem Canada Inc.
5. Assystem US Inc.
6. Assystem Engineering Consulting Co. Ltd.
7. Moorhouse Consulting Ltd.

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Mr. Olivier Aldrin (DIN - 08345218), was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from January 31, 2019 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the office of Non-Executive Director of the Company, liable to retire by rotation.

In terms of Section 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. Olivier Aldrin being eligible and offering himself for appointment, is proposed to be appointed as Non-Executive Director of the Company. A notice has been received from a member proposing Mr. Olivier Aldrin as a candidate for the office of Director of the Company under Section 160 of the Companies Act, 2013.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Olivier Aldrin as a Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Olivier Aldrin as a Non-Executive Director, for the approval by the shareholders of the Company.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Mr. Olivier Aldrin, being an appointee, Mr. René Gawron, Non-Executive Director, Mr. Ralph Franz Gillessen, Additional Director, Nominee Directors of SQS Software Quality Systems AG, Germany, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.3. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Item Nos.4 & 5:**

Mr. Balaji Viswanathan (aged 47 years) is the Additional Director of the Company. He joined the Board of Directors of the Company on September 1, 2018. He was appointed as Managing Director & Chief Executive Officer (Key Managerial Personnel) at the Board Meeting held on July 26, 2018, with effect from September 1, 2018 for a period of 3 years, subject to the approval of the Shareholders at the General Meeting.

**Profile of Mr. Balaji Viswanathan (DIN – 06771242):**

Balaji comes with over 24 years of professional experience in the financial services domain of which 16 years have been in the Financial Services Industry and 8 years in the Outsourcing/Offshoring of Financial Services. His last assignment was as Senior Director in charge of Global Delivery for BFSI services at Concentrix which is the outsourced business division of SYNNEX Corporation, a Fortune 500 company listed on the NYSE.

Balaji also worked with Serco, Reliance Jio Payments Bank, Yes Bank and HDFC Bank where he has garnered a strong domain knowledge of Core Banking Systems, Cards, Transaction Switching apart from being responsible for operations and technology at Master Card International on the payment network side.

Mr. Balaji Viswanathan does not hold any equity shares in the Company.

Companies / Body Corporate (other than SQS India BFSI Limited) in which Mr. Balaji Viswanathan holds directorships and committee memberships are as under:

**Directorships:**

1. SQS BFSI Pte. Ltd., Singapore
2. SQS BFSI UK Ltd., UK
3. SQS BFSI Inc., USA
4. SQS BFSI FZE, UAE

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Mr. Balaji Viswanathan (DIN - 06771242), was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from September 1, 2018 in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying its intention to propose his candidature for the office of Director of the Company.

Approval of the Members is being sought for the appointment of Mr. Balaji Viswanathan as Director and Managing Director and CEO and approving the terms of appointment recommended by the Nomination and Remuneration Committee in their meeting held on July 25 & 26, 2018 and Board of Directors in their meeting held on July 26, 2018.

Mr. Balaji Viswanathan is not related to any other Directors, Manager and other Key Managerial Personnel of the Company.

The terms and conditions of appointment are set out in the resolution to the Notice.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Mr. Balaji Viswanathan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolutions set out at Item Nos.4 & 5 of the Notice.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, as amended, the Board recommends the Ordinary Resolution set out at item no.4 & Special Resolution set out at item no.5 of the accompanying Notice for the approval of the Members.

Pursuant to Section 190 of the Companies Act, 2013, as amended, a copy of the draft Service Agreement referred to in the Resolution would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, up to Tuesday, March 26, 2019.

**Item no.6: Appointment of Prof. K. Kumar (DIN 02343860) as an Independent Director (Non-Executive).**

Prof. K. Kumar (Aged: 61 years) is an Independent Director (Non-Executive) of the Company. He joined the Board of Directors of the Company in September, 2008.

Prof. K. Kumar (DIN – 02343860) has over three decades of experience as a corporate manager, consultant, entrepreneur and in academia. Kumar holds a bachelor's degree in Electrical & Electronics Engineering (Madurai Kamaraj University) and obtained both the PGDM and Fellowship (Doctoral level) qualifications from the Indian Institute of Management Bangalore (IIM-B). In his current role as Professor of Entrepreneurship at the NS Raghavan Centre for Entrepreneurial Learning (NSRCEL) at Indian Institute of Management Bangalore (IIM-B), he is involved in teaching, research and entrepreneurship promotion initiatives. His corporate experience includes a consulting role at Tata Consultancy Services (1991-95) and as CEO (1995-2001) and President (2005-2006) of Trigent Software Ltd.

Prof. K. Kumar holds 11,000 equity shares of the Company.

Companies (other than SQS India BFSI Limited) in which Prof. K. Kumar holds directorships and committee memberships are as under:

**Directorships:**

1. IIITB Innovation Centre (Section 8 Company as per Companies Act, 2013)

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Prof. K. Kumar was appointed as an Independent Director (Non-Executive) by the Shareholders of the Company from April 1, 2014 to March 31, 2019. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, as amended, Prof. K. Kumar being eligible and offering himself for appointment, is proposed to be re-appointed as an Independent Director (Non-Executive) for a term from April 1, 2019 to March 31, 2024.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Prof. K. Kumar (DIN - 02343860) as a candidate for the office of a Director of the Company, and for re-appointment as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 to March 31, 2024, not liable to retire by rotation.

In the opinion of the Board, Prof. K. Kumar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder, as amended, for his re-appointment as an Independent Director (Non-Executive) of the Company and is independent of the management. 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 Prof. K. Kumar as an Independent Director (Non-Executive).

Copy of the draft letter for re-appointment of Prof. K. Kumar as an Independent Director (Non-Executive) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of Section 197(5) and profit related commission as may be approved by the members. Accordingly, approval of the members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and rules made thereunder, as amended from time to time.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Prof. K. Kumar, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out at Item No. 6.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

In view of the provisions of Sections 149 & 197 and any other applicable provisions of the Companies Act, 2013, as amended, the Board recommends the resolution in relation to re-appointment of Prof. K. Kumar as an Independent Director (Non-Executive), for the approval by the shareholders of the Company.

**Item no.7: Appointment of Prof. S. Rajagopalan (DIN 01584674) as an Independent Director (Non-Executive).**

Prof. S. Rajagopalan (Aged: 63 years) is an Independent Director (Non-Executive) of the Company. He joined the Board of Directors of the Company in September, 2008.

Prof. S Rajagopalan (DIN – 01584674) is a Bachelor of Technology (B.Tech) in Chemical Engineering from Indian Institute of Technology, Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and he has earned doctorate titled “Innovations in Multi Organisational Settings” from Indian Institute of Technology, Kanpur. He was the CEO of the Karnataka State Council for Science and Technology for 14 years and also was founder and chairman of TIDE an NGO. He was awarded Ashoka Fellowship in the year 1984, Fellow of the Salzburg Seminar in the year 1999 and finalist of Social Entrepreneur of the year in 2006. Prof. S Rajagopalan was elected as one of the 50 pioneers of change by India today Magazine in the year 2008. Since 2008 he is a professor at the International Institute of Information Technology, Bangalore.

Prof. S. Rajagopalan holds 1,000 equity shares of the Company.

Companies (other than SQS India BFSI Limited) in which Prof. S. Rajagopalan holds directorships and committee memberships are as under:

**Directorships:**

1. Spatial Data Private Limited
2. Sustaintech India Private Limited

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Prof. S. Rajagopalan was appointed as an Independent Director (Non-Executive) by the Shareholders of the Company from April 1, 2014 to March 31, 2019. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, as amended, Prof. S. Rajagopalan being eligible and offering himself for appointment, is proposed to be re-appointed as an Independent Director (Non-Executive) for a term from April 1, 2019 to March 31, 2024.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Prof. S. Rajagopalan (DIN - 01584674) as a candidate for the office of a Director of the Company, and for re-appointment as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 to March 31, 2024, not liable to retire by rotation.

In the opinion of the Board, Prof. S. Rajagopalan fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder, as amended, for his re-appointment as an Independent Director (Non-Executive) of the Company and is independent of the management. 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 Prof. S. Rajagopalan as an Independent Director (Non-Executive).

Copy of the draft letter for re-appointment of Prof. S. Rajagopalan as an Independent Director (Non-Executive) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of Section 197(5) and profit related commission as may be approved by the members. Accordingly, approval of the members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and rules made thereunder, as amended from time to time.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Prof. S. Rajagopalan, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out at Item No.7.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

In view of the provisions of Sections 149 & 197 and any other applicable provisions of the Companies Act, 2013, as amended, the Board recommends the resolution in relation to re-appointment of Prof. S. Rajagopalan as an Independent Director (Non-Executive), for the approval by the shareholders of the Company.

**Item no.8: Appointment of Mr. Rajiv Kuchhal (DIN 02257381) as an Independent Director (Non-Executive).**

Mr. Rajiv Kuchhal (Aged: 53 years) is an Independent Director (Non-Executive) of the Company. He joined the Board of Directors of the Company in September, 2011.

Mr. Rajiv Kuchhal (DIN – 02257381) has more than 30 years of management experience with 16 years in Infosys. He was instrumental in establishing of product engineering services practice at Infosys, heading the practice till 2001. Rajiv was one of the founding members of Infosys BPO (earlier Progeon), the business process outsourcing (BPO) subsidiary of Infosys Technologies where he was the Head of Operations and subsequently the Head of Business Transformation. He subsequently worked with OnMobile as its Chief Operating Officer. Rajiv is an angel investor, and a General Partner at Exfinity Ventures.

He is a graduate in Electrical Engineering from IIT Delhi.

Mr. Rajiv Kuchhal holds 67,692 equity shares of the Company.

Companies (other than SQS India BFSI Limited) in which Mr. Rajiv Kuchhal holds directorships and committee memberships are as under:

**Directorships:**

1. Desicrew Solutions Private Limited
2. Invendis Technologies India Private Limited
3. Ipomo Communications India Private Limited
4. Desicrew Services Kaup Private Limited
5. Jatan Securities Private Limited
6. Hippocampus Learning Centers Private Limited
7. Obopay Mobile Technology India Private Limited

8. IQLECT Software Solutions Private Limited
9. Ebhana Software and Services Private Limited
10. Mark Partners LLP
11. Transcendix Partners LLP
12. Comalpha Advisors LLP

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Mr. Rajiv Kuchhal was appointed as an Independent Director (Non-Executive) by the Shareholders of the Company from April 1, 2014 to March 31, 2019. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, as amended, Mr. Rajiv Kuchhal being eligible and offering himself for appointment, is proposed to be re-appointed as an Independent Director (Non-Executive) for a term from April 1, 2019 to March 31, 2024.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Rajiv Kuchhal (DIN - 02257381) as a candidate for the office of a Director of the Company, and for re-appointment as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 to March 31, 2024, not liable to retire by rotation.

In the opinion of the Board, Mr. Rajiv Kuchhal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder, as amended, for his re-appointment as an Independent Director (Non-Executive) of the Company and is independent of the management. 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. Rajiv Kuchhal as an Independent Director (Non-Executive).

Copy of the draft letter for re-appointment of Mr. Rajiv Kuchhal as an Independent Director (Non-Executive) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of Section 197(5) and profit related commission as may be approved by the members. Accordingly, approval of the members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and rules made thereunder, as amended from time to time.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Mr. Rajiv Kuchhal, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out at Item No. 8.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

In view of the provisions of Sections 149 & 197 and any other applicable provisions of the Companies Act, 2013, as amended, the Board recommends the resolution in relation to re-appointment of Mr. Rajiv Kuchhal as an Independent Director (Non-Executive), for the approval by the shareholders of the Company.

**Item no.9: Appointment of Mr. Ulrich Bäumer (DIN 06763831) as an Independent Director (Non-Executive).**

Mr. Ulrich Bäumer (Aged: 48 years) is an Independent Director (Non-Executive) of the Company. He joined the Board of Directors of the Company in December, 2013.

Mr. Ulrich Bäumer (DIN – 06763831) is a qualified lawyer and a partner in the technology group of the international law firm Osborne Clarke. He advises the clients of the firm mainly in the areas of information technology and outsourcing. He drafts and negotiates complex international IT project (especially outsourcing and licensing) contracts and assists the technology clients of the firm in Merger & Acquisition transactions. He also advises in all other aspects of technology and licensing law. He advises many German and international companies on all aspects of IT law.

Mr. Ulrich Bäumer holds Nil equity shares of the Company.

Companies (other than SQS India BFSI Limited) in which Mr. Ulrich Bäumer holds directorships and committee memberships are as under:

**Directorships:**
None

**Chairman of Board Committees:**
None

**Member of Board Committees:**
None

Mr. Ulrich Bäumer was appointed as an Independent Director (Non-Executive) by the Shareholders of the Company from April 1, 2014 to March 31, 2019. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, as amended, Mr. Ulrich Bäumer being eligible and offering himself for appointment, is proposed to be re-appointed as an Independent Director (Non-Executive) for a term from April 1, 2019 to March 31, 2024.

The Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Ulrich Bäumer (DIN - 06763831) as a candidate for the office of a Director of the Company, and for re-appointment as an Independent Director (Non-Executive) of the Company, with effect from April 1, 2019 to March 31, 2024, not liable to retire by rotation.

In the opinion of the Board, Mr. Ulrich Bäumer fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder, as amended, for his re-appointment as an Independent Director (Non-Executive) of the Company and is independent of the management. 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. Ulrich Bäumer as an Independent Director (Non-Executive).

Copy of the draft letter for re-appointment of Mr. Ulrich Bäumer as an Independent Director (Non-Executive) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Under the Companies Act, 2013, independent directors can only receive fees under the provisions of Section 197(5) and profit related commission as may be approved by the members. Accordingly, approval of the members is also being sought for the purposes of payment of fees and profit related commission, which amounts may be decided by the Board / Nomination and Remuneration Committee from time to time, subject to the limits prescribed under the Companies Act, 2013 and rules made thereunder, as amended from time to time.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

Except Mr. Ulrich Bäumer, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the Special Resolution set out at Item No. 9.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

In view of the provisions of Sections 149 & 197 and any other applicable provisions of the Companies Act, 2013, as amended, the Board recommends the resolution in relation to re-appointment of Mr. Ulrich Bäumer as an Independent Director (Non-Executive), for the approval by the shareholders of the Company.

**Item no.10: Payment of remuneration to Directors other than Managing Director or Whole-time Director.**

As per the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 197 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), all fees / compensation, payable to Non-Executive Directors shall be fixed by the Board of Directors and shall require prior approval of Shareholders in General Meeting. Pursuant to the same, the approval of the Members, is sought for payment of commission to Non–Executive Directors as set out in the resolution at Item No.10 of this Notice.

The Board recommends the Resolution as set out at Item No.10 for the approval of the Members.

This Explanatory Statement together with the accompanying notice may also be regarded as a disclosure under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, and details as required under Clause 1.2.5 of the Secretarial Standards on General Meetings (SS-2).

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnel and their relatives:**

All the Non-Executive Directors and their relatives are deemed to be interested in the Special Resolution set out at Item No.10.

None of the other Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, financial or otherwise, concerned or interested in the said Special resolution.

**Item no.11: Change in the name of the Company.**

With a view to global branding of Assystem & SQS Group of Companies, a new name "Expleo" has been proposed by Assystem Group throughout its group organisations. This will help in identification of the Company as part of the one Group which has its operations across the globe and who are now the Promoter and Promoters Group of SQS India BFSI Limited.

The draft of the revised Memorandum and Article of Association reflecting the said name change is available for inspection by the members at the registered office of the Company on all working days except Saturday, Sundays and other National & Festival Holidays up to date of closing of e-voting or the last date of receipt of Postal Ballot Forms.

Subject to the approval of the Registrar of Companies and the Central Government, the Board of Directors recommends the resolution set out in item no. 11 for change in the name of the Company to Expleo Solutions Limited for the approval of the Members by way of Special Resolution.

**Concern or interest, financial or otherwise of Directors, Key Managerial Personnal and their relatives:**

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are in any way, financial or otherwise, concerned or interested in the said Special resolution set out at Item No. 11.

**By order of the Board of Directors**
**For SQS India BFSI Limited**

**S. Sampath Kumar**
**Company Secretary & Compliance Officer**

Date: February 11, 2019
Place: Chennai

# SQS India BFSI Limited

CIN: L64202TN1998PLC066604
Regd. Off: 6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600096.
TEL No: 044-43923200, FAX No: 044-43923258 Email:investor.sqsbfsi@sqs.com, Web:www.sqs-bfsi.com

## POSTAL BALLOT FORM

Serial No. :

1. Name and Registered address of sole/first named Shareholder :

2. Name or Name(s) of the Joint holder(s) (if any) :

3. Registered Folio No. / DP & Client ID No.* (*Applicable to investors holding shares in dematerialized Form) :

4. Number of shares held :

I/We hereby exercise my/our votes in respect of the following Ordinary / Special Resolutions to be passed through Postal Ballot for the business stated in the Notice dated February 11, 2019 of the Company by conveying my/our assent or dissent to the said Ordinary / Special Resolutions by placing the tick (✓) mark in the appropriate box below:

| Item No. | Description | No. of Shares held by me / us | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|---|---|---|---|---|
| 1. | Approval for Buyback of Equity Shares | | | |
| 2. | Appointment of Mr. Ralph Franz Gillessen (DIN 05184138) as Director of the Company | | | |
| 3. | Appointment of Mr. Olivier Aldrin (DIN 08345218) as Director of the Company | | | |
| 4. | Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Director of the Company | | | |
| 5. | Appointment of Mr. Balaji Viswanathan (DIN 06771242) as Managing Director and Chief Executive Officer (Key Managerial Personnel) of the Company | | | |
| 6. | Appointment of Prof. K. Kumar (DIN 02343860) as an Independent Director (Non-Executive) of the Company | | | |
| 7. | Appointment of Prof. S. Rajagopalan (DIN 01584674) as an Independent Director (Non-Executive) of the Company | | | |
| 8. | Appointment of Mr. Rajiv Kuchhal (DIN 02257381) as an Independent Director (Non-Executive) of the Company | | | |
| 9. | Appointment of Mr. Ulrich Bäumer (DIN 06763831) as an Independent Director (Non-Executive) of the Company | | | |
| 10. | To approve the payment of remuneration to Directors other than Managing Director or Whole-time Director | | | |
| 11. | To approve change in name of the Company | | | |

Place :
Date :

Signature(s) of the shareholder(s)/
Authorised Representative

(Optional) Email: _____ Tel.No:
Mobile: _____

----------✂----------✂----------✂----------

## THE ELECTRONIC VOTING PARTICULARS

| EVEN (E-VOTING EVENT NUMBER) | USER ID | PASSWORD/PIN |
|---|---|---|
| **190204006** | | |

Note:
1. Last date for receipt of Postal Ballot Forms by Srcutiniser is Tuesday, March 26, 2019 upto 5.00 p.m . IST.
2. Please read the instructions printed overleaf carefully before exercising your vote.

**Instructions for Postal Ballot:**

1. A member desiring to exercise vote by postal ballot is requested to read the instructions for Postal Ballot carefully and return the Postal Ballot Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutiniser on or before the close of working hours (5.00 p.m. IST) **Tuesday, March 26, 2019**. A member may request for a duplicate postal ballot form, if required from Cameo / download from www.sqs-bfsi.com. However, such duplicate postal ballot form should reach the Scrutiniser not later than the date and time specified above.
2. The member(s) may choose to send the postal ballot by courier at their own expense.
3. Members are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed envelope.
4. The form should be duly completed and signed by the member. In case of joint holding, the form should be completed and signed (as per the specimen signature registered with the company) by the first named member and in his / her absence, by the next named member.
5. The consent or dissent may be recorded by placing the tick ( ✓ ) mark in the prescribed column for assent and dissent given in the Postal Ballot Form.
6. Unsigned Postal Ballot Form will be rejected.
7. Member cannot vote by post and e-voting and if he votes both by post and e-voting, his vote by post shall be treated as invalid.
8. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date i.e. **February 22, 2019**.
9. A Member need not use all his votes and nor does he need to cast all his votes in the same manner.
10. Where postal ballot form is signed by an authorised representative of a body corporate, a certified copy of the relevant authorisation / resolution should accompany the postal ballot form.
11. In case the postal ballot form is signed by a Power of Attorney holder, the Power of Attorney registration number intimated by the Company / Registrar & Transfer Agents should be mentioned.
12. Instances under which the postal ballot form will be considered invalid :
    a. A form other than one issued by the company has been used.
    b. It has not been signed by or on behalf of the Member.
    c. Signature on the postal ballot form does not match the specimen signatures with the Company.
    d. It is not possible to determine without any doubt the assent or dissent of the Member.
    e. Neither assent nor dissent is mentioned.
    f. Any competent authority has given directions in writing to the company to freeze the Voting Rights of the Member.
    g. The envelope containing the postal ballot form is received after the last date prescribed.
    h. The postal ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority.
    i. It is defaced or mutilated in such a way that its identity as a genuine form cannot be established.
    j. Member has made any amendment to the Resolution or imposed any condition while exercising his vote.
13. The members are requested to fill the Postal Ballot Form in the indelible ink (and avoid filling by using erasable writing mediums like pencils).
14. There will be one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint holders.
15. The Scrutiniser's decision on the validity of the Postal Ballot is final.
16. In terms of Clause 16.6.3 of Secretarial Standard-2, the resolution shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting (i.e. Tuesday , March 26, 2019)
17. The Company is pleased to offer e-voting facility as an alternative, for all Members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot form. E-voting is optional. The detailed procedure of e-voting is enumerated in the Notice under page nos 11 and 12.