

**Expleo Solutions Limited**

(formerly known as SQS India BFSI Limited)

CIN No:L64202TN1998PLC066604

Registered & Corporate office : 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4,

Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai-600 096, INDIA.

Website: www.expleosolutions.com; Tel:+91 44 4392 3200

Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2020

(Rs. In Millions)

| S.No. | Particulars | Quarter ended | | | Half year ended | | Year ended |
|-------|---|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| | | 30-Sep-20 | 30-Jun-20 | 30-Sep-19 | 30-Sep-20 | 30-Sep-19 | 31-Mar-20 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Revenue from Operations | 736.30 | 758.12 | 656.66 | 1,494.42 | 1,265.27 | 2,702.18 |
| 2 | Other Income | 10.53 | 15.95 | 1.49 | 26.48 | 12.62 | 77.69 |
| 3 | Total Income (1+2) | 746.83 | 774.07 | 658.15 | 1,520.90 | 1,277.89 | 2,779.87 |
| 4 | EXPENSES | | | | | | |
| | a) Employee benefits expense | 493.28 | 487.47 | 426.28 | 980.75 | 835.65 | 1,793.10 |
| | b) Finance Cost | 2.45 | 2.59 | 4.98 | 5.04 | 5.02 | 11.08 |
| | c) Depreciation and amortisation expense | 13.62 | 13.83 | 15.03 | 27.45 | 31.96 | 58.22 |
| | d) Other expenses | 66.40 | 77.05 | 87.05 | 143.45 | 182.72 | 376.91 |
| | Total Expenses (4) | 575.75 | 580.94 | 533.34 | 1,156.69 | 1,055.35 | 2,239.31 |
| 5 | Profit/(loss) before exceptional items and tax (3-4) | 171.08 | 193.13 | 124.81 | 364.21 | 222.54 | 540.56 |
| 6 | Exceptional Items | - | - | - | - | - | - |
| 7 | Profit/(loss) before tax (5-6) | 171.08 | 193.13 | 124.81 | 364.21 | 222.54 | 540.56 |
| 8 | Tax expense | | | | | | |
| | a) Current Tax | 45.15 | 50.16 | 34.01 | 95.31 | 64.71 | 128.41 |
| | b) Deferred Tax | 0.08 | 0.38 | 1.30 | 0.46 | 2.10 | 13.13 |
| 9 | Profit/(loss) for the period (7-8) | 125.85 | 142.59 | 89.50 | 268.44 | 155.73 | 399.02 |
| 10 | Other Comprehensive Income | | | | | | |
| | A (i) Items that will not be reclassified to profit or loss | 2.42 | (1.61) | (7.59) | 0.81 | (7.22) | (5.90) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.08) | 0.37 | 1.90 | 0.29 | 1.99 | 1.57 |
| | B (i) Items that will be reclassified to profit or loss | - | - | - | - | - | - |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | - | - | - | - | - |
| 11 | Total Comprehensive Income for the period (9+10) (Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (net of tax)) | 128.19 | 141.35 | 83.81 | 269.54 | 150.50 | 394.69 |
| | Attributable to: | | | | | | |
| | Owners of the parent | 128.19 | 141.35 | 83.81 | 269.54 | 150.50 | 394.69 |
| | Non-controlling interests | - | - | - | - | - | - |
| 12 | Of the Total Comprehensive Income above, Profits for the year attributable to: | | | | | | |
| | Owners of the parent | 125.85 | 142.59 | 89.50 | 268.44 | 155.73 | 399.02 |
| | Non-controlling interests | - | - | - | - | - | - |
| 13 | Of the Total Comprehensive Income above, Other comprehensive income attributable to: | | | | | | |
| | Owners of the parent | 2.34 | (1.24) | (5.69) | 1.10 | (5.23) | (4.33) |
| | Non-controlling interests | - | - | - | - | - | - |
| 14 | Paid Up Equity Share Capital (Face value of Rs.10/- each, fully paid up) | 102.52 | 102.52 | 102.52 | 102.52 | 102.52 | 102.52 |
| 15 | Other Equity | - | - | - | - | - | 1,419.50 |
| 16 | Earnings per Equity Share (Face value of Rs.10/- each) (for continuing operations) (Refer Note 8) | | | | | | |
| | - Basic (Rs.) | 12.27 | 13.91 | 8.55 | 26.18 | 14.87 | 38.51 |
| | - Diluted (Rs.) | 12.27 | 13.91 | 8.55 | 26.18 | 14.87 | 38.51 |
| | See accompanying notes to the Consolidated Financial Results. | | | | | | |

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Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2020**Consolidated Balance Sheet as at September 30, 2020** (Rs. In Millions)

| Particulars | 30-Sep-20 | 31-Mar-20 |
|--|-----------------|-----------------|
| | (Unaudited) | (Audited) |
| ASSETS | | |
| A. NON CURRENT ASSETS | | |
| (a) Property, Plant and Equipment | 252.79 | 259.54 |
| (b) Intangible Assets | 0.15 | 0.34 |
| (c) Financial Assets | | |
| (i) Loans | 17.76 | 17.31 |
| (d) Deferred Tax Asset | 13.65 | 13.82 |
| (e) Income Tax Asset (Net) | 1.44 | 1.34 |
| (f) Other Non Current Assets | 75.01 | 75.11 |
| TOTAL NON CURRENT ASSETS | 360.80 | 367.46 |
| B. CURRENT ASSETS | | |
| (a) Financial Assets | | |
| (i) Trade Receivables | 653.16 | 759.04 |
| (ii) Cash and Cash Equivalents | 910.70 | 789.92 |
| (iii) Bank balances other than (ii) above | 168.45 | 82.55 |
| (iv) Loans | 200.15 | 52.86 |
| (v) Other Current Financial Assets | 96.58 | 60.41 |
| (b) Other Current Assets | 39.18 | 30.72 |
| TOTAL CURRENT ASSETS | 2,068.22 | 1,775.50 |
| TOTAL ASSETS | 2,429.02 | 2,142.96 |
| EQUITY AND LIABILITIES | | |
| A. EQUITY | | |
| (a) Equity Share Capital | 102.52 | 102.52 |
| (b) Other Equity | 1,689.06 | 1,419.50 |
| TOTAL EQUITY | 1,791.58 | 1,522.02 |
| B. LIABILITIES | | |
| NON CURRENT LIABILITIES | | |
| Other Non Current Financial Liabilities | 55.77 | 65.38 |
| Provisions | 22.60 | 18.18 |
| TOTAL NON CURRENT LIABILITIES | 78.37 | 83.56 |
| CURRENT LIABILITIES | | |
| (a) Financial Liabilities | | |
| (i) Trade Payables | | |
| (a) Total outstanding dues of Micro enterprises and small enterprises | - | 3.96 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 28.75 | 114.16 |
| (ii) Other Current Financial Liabilities | 361.74 | 286.88 |
| (b) Other Current Liabilities | 85.96 | 74.67 |
| (c) Provisions | 6.71 | 4.91 |
| (d) Current Tax Liabilities (Net) | 75.91 | 52.80 |
| TOTAL CURRENT LIABILITIES | 559.07 | 537.38 |
| TOTAL EQUITY AND LIABILITIES | 2,429.02 | 2,142.96 |

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Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2020

| Consolidated Statement of Cash Flows for the period ended September 30, 2020 | | (Rs. In Millions) | |
|---|------------------------|--------------------------|--|
| Particulars | Half year ended | | |
| | 30-Sep-20 | 30-Sep-19 | |
| | (Unaudited) | (Unaudited) | |
| A. Cash flow from operating activities | | | |
| Profit before tax | 364.21 | 222.54 | |
| Adjustment for: | | | |
| Depreciation and Amortization Expense | 27.45 | 31.96 | |
| Loss/ (Profit) on sale of Property, Plant and Equipment | - | (0.07) | |
| Unrealized forex exchange loss/(gain) (Net) | 6.05 | 5.65 | |
| Interest income | (7.74) | (11.68) | |
| Finance Cost | 5.04 | 5.02 | |
| (Reversal of)/Allowance for credit loss | 0.20 | 0.25 | |
| Unwinding of discount on security deposits | (0.45) | (0.42) | |
| Operating profit before working capital changes | 394.76 | 253.25 | |
| Adjustment for: | | | |
| (Increase)/ Decrease in Trade Receivables | 117.84 | (26.79) | |
| (Increase)/ Decrease in Loans | (147.74) | 16.94 | |
| (Increase)/ Decrease in Other Current Financial Assets | (35.55) | (49.28) | |
| (Increase)/ Decrease in Other Current Assets | (8.53) | (27.88) | |
| (Increase)/ Decrease in Other Non-Current Assets | 0.10 | (2.89) | |
| Increase/ (Decrease) in Trade Payables | (89.27) | 12.53 | |
| Increase/ (Decrease) in Other Current Financial Liabilities | 73.45 | (58.31) | |
| Increase/ (Decrease) in Other Current Liabilities | 10.37 | (12.79) | |
| Increase/ (Decrease) in Provisions | 6.22 | 2.72 | |
| Cash generated from operations | 321.65 | 107.50 | |
| Direct taxes paid (net of refunds) | (72.30) | (63.89) | |
| Net cash flow from operating activities (A) | 249.35 | 43.61 | |
| B. Cash flow from investing activities | | | |
| Investment in bank deposits having maturity greater than 3 months | (352.44) | (0.90) | |
| Proceeds from maturity of Fixed Deposits | 266.55 | 2.41 | |
| Payments for purchase of Property, Plant and Equipment and Intangible Assets | (20.51) | (2.93) | |
| Proceeds from sale of Property, Plant and Equipment | - | 0.07 | |
| Interest received on deposit with banks | 7.13 | 11.73 | |
| Net cash flow from/(used in) investing activities (B) | (99.27) | 10.38 | |
| C. Cash Flow from financing activities | | | |
| Payment of Lease Liability | (14.05) | (13.82) | |
| Proceeds from Issue of Shares | - | (261.11) | |
| Net cash (used in) financing activities (C) | (14.05) | (274.93) | |
| Net Increase/(Decrease) in cash & cash equivalents (A+B+C) | 136.03 | (220.94) | |
| Effect of changes in exchange rate on cash and cash equivalents | (15.25) | (1.20) | |
| Cash & cash equivalents at the beginning of the period | 789.92 | 978.92 | |
| Cash and cash equivalents at the end of the period | 910.70 | 756.78 | |

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Statement of Unaudited Consolidated Financial Results for the Quarter and Half year ended September 30, 2020**Notes to the Unaudited Consolidated Financial Results:-**

1 The above Consolidated financial results which are published in accordance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 5, 2020. The Consolidated financial results are in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant Amendment Rules issued thereafter.

2 Pursuant to Regulation 33(3)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has decided to submit to the stock exchanges the Unaudited Financial Results (Standalone and Consolidated) for the first three quarters of the current financial year 2020-21 and Audited Financial Results (Standalone and Consolidated) for the fourth quarter and year ended March 31, 2021.

3 The Chief Operating Decision Maker (CODM) evaluates the performance of the Group based on revenue and operating income in one segment i.e "Software Validation and Verification Services" relating to banking and financial services industry. Accordingly, as per Ind AS 108, "Operating Segments", the Group has only one business segment and hence segment information has not been separately disclosed.

4 Other Income (SI. No. 2) and Other Expenses (SI. No. 4 d) above includes Net Foreign Exchange Gain and Loss respectively for each reporting period as under:

(Rs. in Millions)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| | 30-Sep-20 (Unaudited) | 30-Jun-20 (Unaudited) | 30-Sep-19 (Unaudited) | 30-Sep-20 (Unaudited) | 30-Sep-19 (Unaudited) | 31-Mar-20 (Audited) |
| Net Exchange Gain / Loss | | | | | | |
| Other Income | 4.29 | 9.89 | - | 14.18 | - | 60.56 |
| Other Expenses | - | - | 1.16 | - | 11.40 | - |

5 Financial Results of Expleo Solutions Limited (formerly known as SQS India BFSI Limited) (Standalone information):

(Rs. in Millions)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| | 30-Sep-20 (Unaudited) | 30-Jun-20 (Unaudited) | 30-Sep-19 (Unaudited) | 30-Sep-20 (Unaudited) | 30-Sep-19 (Unaudited) | 31-Mar-20 (Audited) |
| Net Sales / Income from Operations | 736.30 | 758.12 | 656.66 | 1,494.42 | 1,265.27 | 2,702.18 |
| Profit/ (Loss) from ordinary activities before tax | 163.03 | 180.75 | 112.60 | 343.78 | 206.05 | 487.34 |
| Net Profit/ (Loss) from ordinary activities after tax | 119.05 | 131.33 | 78.28 | 250.38 | 141.87 | 349.49 |

6 The Consolidated Financial Results include the results of 100% Wholly owned Subsidiaries, i.e. Expleo Solutions Inc., USA, Expleo Solutions Pte. Ltd., Singapore, Expleo Solutions FZE, UAE and Expleo Solutions UK Limited, UK.

7 Consequent to Expert Advisory Committee opinion issued by the Institute of Chartered Accountants of India on Grants receivable from Government of India (under SEIS), the amount of export incentives have been reclassified to "Other Operating Revenues" from "Other Income". These reclassifications do not have any impact on the reported Total Income or on the Profit Before Tax for all the periods presented hereunder.

(Rs. in Millions)

| Particulars | Quarter ended | | | Half year ended | | Year ended |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| | 30-Sep-20 (Unaudited) | 30-Jun-20 (Unaudited) | 30-Sep-19 (Unaudited) | 30-Sep-20 (Unaudited) | 30-Sep-19 (Unaudited) | 31-Mar-20 (Audited) |
| Revenue from Operations | 736.29 | 758.12 | 656.66 | 1,494.42 | 1,265.27 | 2,694.04 |
| Add: Export Incentives | - | - | - | - | 9.75 | 8.14 |
| Restated Revenue from Operations | 736.29 | 758.12 | 656.66 | 1,494.42 | 1,265.27 | 2,702.18 |

8 The earnings per share (basic and diluted) for the interim periods have not been annualised.

9 In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Receivables and other financial assets, the Company has considered internal and external information upto the date of approval of these financial results. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

10 The above Consolidated Financial results have been subject to Limited Review by the Statutory Auditors.

11 The prior period's figures have been regrouped / reclassified wherever necessary.

By order of the Board
For Expleo Solutions Limited
(formerly known as SQS India BFSI Ltd)

Place: Bengaluru
Date: November 5, 2020

Balaji Viswanathan
Managing Director & CEO