

# SQS INDIA BFSI LIMITED

Corporate Identity Number (CIN): L64202TN1998PLC066604

Registered Office: 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096, Tamil Nadu, India

Website: www.sqs-bfsi.com | Email: investor.sqsbfis@explegroup.com; Contact Person: Mr. S. Sampath Kumar, Company Secretary and Compliance Officer

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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
<b>Total (A)</b>	<b>107,103,810</b>
<b>Reserves</b>	
General reserve	181,091,695
Retained Earnings	531,250,110
Securities premium account	193,223,296
Employee Stock Option Compensation Reserve	1,302,708
<b>Total (B)</b>	<b>906,867,809</b>
<b>Grand Total (A+B)</b>	<b>1,013,971,619</b>
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 104607WW/100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Place: Chennai

Date: January 31, 2019

Unquote

## 10. RECORD DATE AND SHAREHOLDERS' ENTITLEMENT

As required under the Buyback Regulations, the Company has fixed April 12, 2019 as the Record Date for the purpose of determining the entitlement and the names of the Eligible Shareholders who are eligible to participate in the Buyback.

In due course, Eligible Shareholders holding Equity Shares, either in physical or dematerialised form, as on the Record Date will receive a letter of offer in relation to the Buyback ("Letter of Offer") along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback.

The Equity Shares to be bought back as part of the Buyback are divided in two categories:

- reserved category for Small Shareholders (as defined below); and
- general category for all other Eligible Shareholders.

As defined under the Buyback Regulations, a "Small Shareholder" is an Eligible Shareholder who holds Equity Shares having market value, on the basis of closing price on BSE or NSE (as applicable, on which the highest trading volume in respect of the Equity Shares as on the Record Date), of not more than ₹ 2,00,000 (Rupees Two Lakhs only). In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number ("PAN") shall be clubbed together for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PAN is identical and where the PANs of all joint shareholders are not available, the registrar to the offer ("Registrar") will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

In accordance with Regulation 6 of the Buyback Regulations, 15% 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, whichever is higher, shall be reserved for the Small Shareholders as part of this Buyback.

On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder, including Small Shareholders, to tender their Equity Shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective Eligible Shareholder as on the Record Date and the ratio of the Buyback applicable in the category to which such Eligible Shareholder belongs. The final number of Equity Shares that the Company will purchase from each Eligible Shareholder will be based on the total number of Equity Shares tendered. Accordingly, the Company may not purchase all of the Equity Shares tendered by the Eligible Shareholders in the Buyback.

After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the Buyback by Eligible Shareholders in that category and thereafter from Eligible Shareholders who have tendered over and above their entitlement in the other category.

The participation of the Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders may opt to participate, in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback, or they may opt not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder should not exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations.

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 Eligible Shareholders as on Record Date.

**PROCESS AND METHODOLOGY FOR THE BUYBACK**

The Buyback is open to all Eligible Shareholders / beneficial owners of the Company, holding Equity Shares either in physical and/ or demat form as on the Record Date.

The Buyback will be implemented using the mechanism prescribed by the SEBI Circulars and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized by the Board to complete the formalities of the Buyback) and on such terms and conditions as may be permitted under law from time to time.

For implementation of the Buyback, the Company has appointed ICICI Securities Limited as the registered broker to the Company ("Company Broker") who will facilitate the process of tendering Equity Shares through stock exchange mechanism for the Buyback. In the tendering process, the Company Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company Broker are as follows:

ICICI SECURITIES LIMITED

ICICI Centre, H.T. Parekh Marg, Churchgate,

Mumbai – 400 020, Maharashtra, India

Tel: +91 22 2288 2460

Fax: +91 22 2282 6580

Contact Person: Mr. Mitesh Shah/Mr. Allwyn Cardoza

BSE has been appointed as the "Designated Stock Exchange" to provide the separate "Acquisition Window" to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. The details of the platform will be specified by BSE. In the event the Stock Broker of any Eligible Shareholder is not registered with BSE as a trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is not able to identify a BSE registered stock broker, then such Eligible Shareholder may contact the Manager to the Buyback for assistance in approaching a BSE registered stock broker.

At the beginning of the tendering period, the order for buying Equity Shares shall be placed by the Company through the Company Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("Seller Member(s)") during normal trading hours of the secondary market. The Seller Member can enter orders for dematerialized Equity Shares as well as physical Equity Shares. In the tendering process, the Company Broker may also process the orders received from the Eligible Shareholders.

**Procedure to be followed by Eligible Shareholders holding Equity Shares in dematerialised form:**

Eligible Shareholders who desire to tender the Equity Shares held by them in the dematerialised form under Buyback would have to do so through their respective Seller Member by giving details of Equity Shares they intend to tender under the Buyback.

The Seller Member would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the order/bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account specifically created for the purpose of the Buyback ("Special Account") by the Clearing Corporation of India Limited ("Clearing Corporation") by using the early pay-in mechanism as prescribed by the Stock Exchanges and the Clearing Corporation prior to placing the bid by the Seller Member.

The details of the Special Account of the Clearing Corporation and the settlement number shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation.

For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order by the custodian participant. The custodian participant shall either confirm or reject the orders no later than the close of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Seller Member shall provide transaction registration slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted such as bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.

**Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:**

All Eligible Shareholders holding Equity Shares in physical form shall note that in terms of the proviso to Regulation 40 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, effective from December 05, 2018, transfers of securities shall not be processed unless the securities are held in the dematerialized form with the depository. Further, as per the press release dated March 27, 2019 issued by SEBI, the transfer of securities after April 1, 2019 shall not be processed unless the securities are held in the dematerialised form.

In the Buyback, considering the timelines of activities prescribed under the Buyback Regulations, the acceptance of the tendered Equity Shares shall be undertaken only after April 1, 2019, consequently, any of the Eligible Shareholders who are desirous of tendering their Equity Shares held in physical form can do so only after such physical Equity Shares are dematerialized. Such Eligible Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

However, should the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or any other applicable law permit the processing of acceptance of Equity Shares held in physical form tendered during the Buyback as on the date of such acceptance, the procedure for the tendering to be followed by Eligible Shareholders holding Equity Shares in the physical form is as detailed below paras, subject to any modifications to the procedure as may be provided under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or any other applicable laws.

2. 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.

**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.

**CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT**

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

The Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buyback;

The Company shall pay the consideration only by way of cash;

The Company, as per the provisions of Section 68(B) of the Companies Act, shall not make further issue of the same kind of Equity Shares within a period of 6 (six) months after the completion of the Buyback, except by way of bonus shares or Equity Shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;

The Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of its subsisting obligations;

The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the Public Announcement for the Buyback is made;

The Company shall not buyback locked in Equity Shares and non-transferable Equity Shares or other specified securities till the pendency of the lock-in or till the Equity Shares or other specified securities become transferable;

The Company shall transfer from its free reserves a sum equal to the nominal amount 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;

The Company shall not buyback its Equity Shares from any person through a negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;

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

The Company is in compliance with Sections 92, 123, 127 and 129 of the Companies Act;

There is no pendency of any scheme of amalgamation or arrangement or compromise as on date;

The ratio of the aggregate of secured and unsecured debts owed by the Company will not be more than twice the paid-up capital and free reserves after the Buyback;

The Buyback shall be completed within a period of one year from the date on which the results of the shareholders' resolution with regard to the proposed buyback are declared; and

The Company shall not make any offer of buyback within a period of 1 (one) year from the date of closure of the Buyback.

**CONFIRMATION FROM THE BOARD OF DIRECTORS**  
The Board of Directors of the Company have made full enquiry into the affairs and prospects of the Company and confirms that:

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.

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 be 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

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).

**REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY 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:

**Quote**  
**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 – 600 096.

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").

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 initiated for identification purposes only.

**Board of Directors Responsibility for the Statement**  
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**  
Pursuant to the requirements of the Buy-back Regulations, it is our responsibility to provide reasonable assurance:

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;

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

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.

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.

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.

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

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;

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

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**  
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 104607WW/100166**  
**FARHAD M. BHESANIA**  
**PARTNER**  
**Membership Number 127355**  
**Place: Chennai**  
**Date: January 31, 2019**

**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF SQS INDIA BFSI LIMITED ("COMPANY") FOR BUYBACK OF EQUITY SHARES THROUGH A TENDER OFFER ROUTE AS PRESCRIBED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.**

This public announcement ("Public Announcement") is being made in accordance with the provisions of Regulation 7 (i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("Buyback Regulations") and contains necessary disclosures including as specified in Schedule II to the Buyback Regulations.

**OFFER FOR A BUYBACK OF NOT EXCEEDING 4,60,896 (FOUR LAKHS SIXTY THOUSAND EIGHT HUNDRED AND NINETY SIX) FULLY PAID-UP EQUITY SHARES OF THE COMPANY HAVING FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH AT A PRICE OF ₹ 550/- (RUPEES FIVE HUNDRED AND FIFTY ONLY) PER EQUITY SHARE PAYABLE IN CASH FOR A TOTAL CONSIDERATION NOT EXCEEDING ₹ 25,34,92,800/- (RUPEES TWENTY FIVE CRORE THIRTY FOUR LAKHS NINETY TWO THOUSAND EIGHT HUNDRED ONLY) ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE.**

**DETAILS OF THE BUYBACK AND OFFER PRICE**

The Board of Directors (the Board of Directors of the Company hereinafter referred to as the "Board" or "Board of Directors" which expression shall include any committee constituted) of SQS India BFSI Limited ("Company"), at its meeting held on January 31, 2019 ("Board Meeting") has approved, subject to the approval of the shareholder / members by way of a Special Resolution and approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, a buyback of not exceeding 4,60,896 (Four Lakhs Sixty Thousand Eight Hundred and Ninety Six) fully paid-up equity shares of face value of ₹ 10/- each ("Equity Shares") of the Company at a price of up to ₹ 550/- (Rupees Five hundred and Fifty only) per Equity Share ("Buyback Offer Price"), payable in cash, for an aggregate amount not exceeding ₹ 25,34,92,800/- (Rupees Twenty Five Crores Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only) ("Buyback Offer Size") 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 from the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the tender offer route ("Buyback"). The shareholders / members of the Company have approved the Buyback by way of a special resolution and the results of the Postal Ballot were declared on March 28, 2019. Pursuant to the shareholders' approval, the Board at its meeting held on March 29, 2019 has fixed the final Buyback Offer Price of ₹ 550/- (Rupees Five hundred and Fifty only) per Equity Share.

The Buyback is in accordance with Article 135 of the Articles of Association of the Company, Section 68, 69 and 70 of the Companies Act, 2013 ("Companies Act" or the "Act"), the applicable rules framed thereunder including the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Companies Act and the Buyback Regulations.

The Buyback is further subject to approvals as may be necessary, from time to time from statutory, regulatory or governmental authorities as required under applicable laws including but not limited to Securities and Exchange Board of India ("SEBI") and the stock exchanges where the Equity Shares of the Company are listed i.e. the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (collectively, "Stock Exchanges").

The size of the Buyback represents 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 statutory limit of 25% of the total fully paid-up share capital and free reserves prescribed under the Companies Act and the Buyback Regulations. The maximum number of Equity Shares proposed to be bought back represents 4.30% of the total number of Equity Shares of the paid-up Equity Share capital of the Company.

Participation in the Buyback by the Eligible Shareholders (as defined below) may trigger capital gains taxation in India and their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, the Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

A copy of this Public Announcement will be available on website of the Company at www.sqs-bfsi.com and is expected to be available on the website of SEBI at www.sebi.gov.in as during the period of the Buyback and on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

The Buy-back from non-resident members, Overseas Corporate Bodies and Foreign Institutional Investors/Foreign Portfolio investors and members of foreign nationality, if any etc. is subject to approvals as may be required including approval from RBI under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, and such approvals may be taken by such non-resident member.

**NECESSITY FOR THE BUYBACK**

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; and (c) to 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 ₹ 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 ₹ 550/- (Rupees Five hundred and Fifty only) per equity share for an aggregate amount not exceeding ₹ 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:

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;

The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve allocation of higher 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";

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;

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

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.

Assuming full acceptance, the funds deployed by the Company towards the Buyback would be approximately ₹ 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.

**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 ₹ 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred) 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)(c) 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.

**MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSE TO BUYBACK AND THE BASIS OF ARRIVING AT THE BUYBACK OFFER PRICE**

The Company propose to buyback of not exceeding 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) fully paid-up Equity Shares of the Company representing 4.30% of the total paid-up equity share capital of the Company.

The Equity Shares of the Company are proposed to be bought back at the Buyback Offer Price of ₹ 550/- (Rupees Five hundred and Fifty only) per Equity Share. The Buyback Offer Price

- 11.7.4 Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of documents for verification procedures to be carried out. Such documents include (i) the tender form duly signed (by all Eligible Shareholders in case Equity Shares are held in joint names) in the same order in which they hold the Equity Shares, (ii) original Equity Share certificate(s), (iii) valid Form SH 4 (share transfer form) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the Eligible Shareholders' PAN Card and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents, viz. valid Aadhaar Card, Voter Identity Card or Passport. In the event, any of the above referred details are not provided, then the Company may decide the validity of such bid / Tender Form in consultation with the Registrar and the Manager.
- 11.7.5 Based on the aforesaid documents, the Seller Member shall place the bid on behalf of the Eligible Shareholders who are holding Equity Shares in physical form and intend to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Upon placing the bid, the Seller Member shall provide a TRS generated by the Exchange Bidding System to the Eligible Shareholder. The TRS will contain the details of order submitted such as folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered etc.
- 11.7.6 The Seller Member / Eligible Shareholder is required to deliver the original Equity Share certificate(s) and documents (as mentioned in paragraph 11.7.4 above) along with TRS either by registered post or courier or hand delivery to the Registrar (at the address mentioned at paragraph 14 below or the collection centre of the Registrar, details of which will be included in the Letter of Offer) within 2 (two) days of bidding by the Seller Member. The envelope should be super scribed as "SQS India BFSI Buyback 2019". One copy of the TRS will be retained by Registrar and they will provide an acknowledgment of the same to the Seller Member / Eligible Shareholder.
- 11.7.7 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- 11.8 Modification/ cancellation of orders will be allowed during the tendering period of the Buyback.
- 11.9 The cumulative quantity tendered shall be made available on BSE's website (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.
- 12. METHOD OF SETTLEMENT**
- 12.1 Upon finalization of the basis of acceptance as per Buyback Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in secondary market and as intimated by the Clearing Corporation from time to time.
- 12.2 The Company will pay the consideration to the Company Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If the Eligible Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reason, then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for onward transfer to such Eligible Shareholders.

- 12.3 The Equity Shares bought back in dematerialized form will be transferred directly to the escrow account of the Company ("Company Demat Escrow Account") provided it is indicated by the Company Broker or it will be transferred by the Company Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchange.
- 12.4 Eligible Shareholder will have to ensure that they keep their Depository Participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the shareholder. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
- 12.5 The Seller Member would issue contract note and pay the consideration for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- 12.6 Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Eligible Shareholders from their respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.
- 12.7 Further, the Company will not accept shares tendered for Buyback which are under restraint order of the court for transfer /sale and/or the title in respect of which is otherwise under dispute or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise.
- 12.8 The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.
- 13. COMPLIANCE OFFICER**
- The Company has designated the following as the Compliance Officer for the Buyback:
- Mr. S. Sampath Kumar**  
Company Secretary & Compliance Officer  
6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4,  
Rajiv Gandhi Salai (OMR), Kandanchavadi,  
Chennai – 600 096, Tamil Nadu, India.  
Tel: +91 44 4392 3200  
Fax: +91 44 4392 3258  
Email: SampathKumar.Seshadri@expleogroup.com
- Investors may contact the compliance officer to the Buyback for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the abovementioned address.

- 14. REGISTRAR TO THE BUYBACK/INVESTOR SERVICE CENTRE**  
In case of any queries, the Eligible Shareholders may contact the Registrar to the Buyback during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:



**CAMEO CORPORATE SERVICES LIMITED**

'Subramanian Building', No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India

Tel: +91 44 4002 0700 / 4002 0710; Fax: +91 44 2846 0129

Email ID: priya@cameoindia.com; Contact Person: Ms. Sreepriya K.

SEBI Registration No.: INR000003753

- 15. MANAGER TO THE BUYBACK**



**ICICI SECURITIES LIMITED**

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020, Maharashtra, India

Tel: +91 22 2288 2460; Fax: +91 22 2282 6580

Email ID: sqsindia@icicisecurities.com; Website: www.icicisecurities.com

Investor grievance e-mail: customercare@icicisecurities.com

Contact Person: Mr. Shekher Asnani / Mr. Rishi Tiwari

SEBI Registration No.: INM00011179

- 16. DIRECTORS' RESPONSIBILITY**

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of SQS INDIA BFSI LIMITED

Sd/-	Sd/-	Sd/-
<b>Mr. Balaji Viswanathan</b>	<b>Prof. K. Kumar</b>	<b>Mr. S. Sampath Kumar</b>
<b>Managing Director &amp; CEO</b>	<b>Deputy Chairman &amp; Director</b>	<b>Company Secretary and Compliance Officer</b>
DIN: 06771242	DIN: 02343860	ICSI Membership No. FCS 3838

Date: March 29, 2019

Place: Chennai

CONCEPT