



SEC/SE/028/20-21

Chennai, August 05, 2020

BSE Limited,
Phiroze Jeejeebhoy Towers,
P J Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 533121

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051
Scrip Code: EXPLEOSOL

Sub: Submission of Annual Report for the Financial Year 2019-20 along with Notice of 22nd Annual General Meeting.

Dear Sir/Madam,

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report for the Financial Year 2019-20 along with Notice of 22nd Annual General Meeting of the Company.

You are requested to take the above on record and oblige.

Thanking you,

Yours faithfully,
For Expleo Solutions Limited
(Formerly known as SQS India BFSI Limited)

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

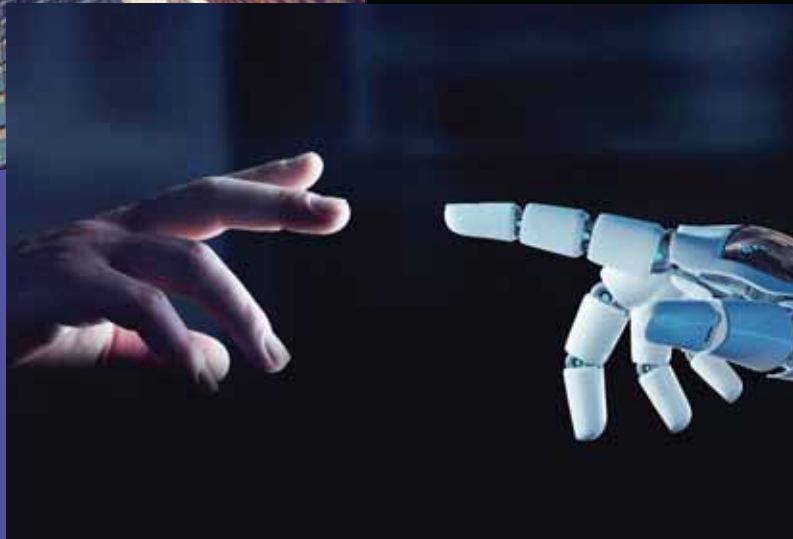
Encl : As above.

EXPLEO SOLUTIONS LTD.
(FORMERLY KNOWN AS SQS INDIA BFSI LTD.)

Annual Report FY 2019 – 2020



#1year
bolder



Think bold, act reliable

(expleo)

Corporate information

BOARD OF DIRECTORS

Prof. K. Kumar
Deputy Chairman & Independent Director

Olivier Aldrin
Non-Executive Director

Balaji Viswanathan
Managing Director & CEO

Lilian Jessie Paul
Independent Director

Martin Hodgson
Additional Director (Non-Executive)

Prof. S. Rajagopalan
Independent Director

Rajiv Kuchhal
Independent Director

Ralph Gillessen
Non-Executive Director

Ulrich Bäumer
Independent Director

CHIEF FINANCIAL OFFICER

Desikan Narayanan

COMPANY SECRETARY

S. Sampath Kumar

AUDITORS

Kalyaniwalla & Mistry LLP
Chartered Accountants
Esplanade House, 29, Hazarimal Somani Marg, Fort,
Mumbai-400 001.

INTERNAL AUDITORS

V. Chandrasekaran & Associates,
Chartered Accountants
1st Floor, Kalpataru Complex, No.44, C.P. Ramaswamy Road,
Alwarpet, Chennai-600 018

BANKERS

The Lakshmi Vilas Bank Limited
Cathedral Road, Chennai-600 086

ICICI Bank Limited
Bazullah Road, T. Nagar, Chennai-600 017

The Hongkong and Shanghai Banking Corporation Limited
Cathedral Road, Chennai-600 086

LEGAL ADVISORS

S. Ramasubramaniam & Associates
New No.13/1, Bishop Wallers Avenue West
Mylapore, Chennai-600 004

REGISTRAR AND SHARE

TRANSFER AGENTS

Cameo Corporate Services Limited
'Subramanian Building' No.1, Club House Road, Chennai-600 002,
Tel. +91 044 2846 0390 / 044 4002 0700, email: investor@cameoindia.com,
website: <http://www.cameoindia.com>

REGISTERED OFFICE

6A, Sixth Floor, Prince Infocity II, No.283/3 & 283/4
Rajiv Gandhi Salai (OMR), Kandanchavadi,
Chennai-600 096, +91 044 4392 3200,
email: investor.expleosol@expleosolutions.com
website: www.expleosolutions.com

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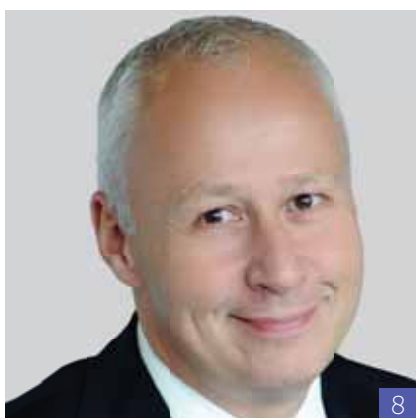
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Board of Directors



1. PROF. K. KUMAR

Deputy Chairman & Independent Director

Kumar is Deputy Chairman and Independent Director of Expleo Solutions Limited.

He 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, Bengaluru (IIM-B). In his current role as Professor of Entrepreneurship at Indian Institute of Management, Bengaluru (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.

2. BALAJI VISWANATHAN

Managing Director & CEO

Balaji is the Managing Director and CEO of Expleo Solutions Limited.

Balaji comes with over 26 years of professional experience in the financial services and ITES 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 SYNEX Corporation, a Fortune 500 company listed on the NYSE.

Balaji also worked with Serco, Reliance Jio Payments Bank, Yes Bank and HDFC Bank across Sales, Product Management and Operations, from where he garnered a strong domain knowledge of Core Banking Systems, Cards, Transaction Switching apart from being responsible for operations and technology for South Asia at Master Card International.

3. OLIVIER ALDRIN

Director (Non-Executive)

Olivier Aldrin is the Director (Non-Executive) of Expleo Solutions Limited.

Olivier Aldrin is the Chief Executive Officer of Expleo Group.

After starting his career at Arthur Andersen, 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.

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

4. LILIAN JESSIE PAUL

Independent Director

Jessie Paul is the Managing Director of Paul Writer. Jessie has 25 years of experience in marketing, always on a tight budget. She was Global Brand Manager of Infosys during its hectic growth era of the late

90s and early 2000s, headed marketing for challenger brand iGATE (now a part of CapGemini) and went on to be Chief Marketing Officer of Wipro Technologies for five years during which it quadrupled its revenues to \$4 billion.

In 2010, Jessie Paul founded Paul Writer a marketing advisory firm that works with global and Indian clients to maximise marketing impact. She now drives the Paul Writer Impact Network, an agency network dedicated to managing and optimising the complete buyer journey.

Her first book, No Money Marketing: From Upstart to Big Brand on a Frugal Budget was published by Tata McGraw-Hill, and was based on her experience putting Indian brands on the global map. She is now refining her thoughts on frugal marketing in the digital era for an updated version of the new book to be published by Bloomsbury in November 2020.

She holds an MBA from Indian Institute of Management, Calcutta, and a bachelor's degree from National Institute of Technology, Trichy.

5. PROF. S. RAJAGOPALAN

Independent Director

Rajagopalan is an Independent Director of Expleo Solutions Limited.

He is a Bachelor of Technology (B.Tech) in Chemical Engineering from Indian Institute of Technology, Delhi, Post Graduate Diploma in Management from Indian Institute of Management, Bengaluru and a Ph.D 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, Bengaluru.

6. MARTIN HODGSON

Additional Director (Non-Executive)

Martin Hodgson joined SQS / Expleo in end of 2015 to set up and build Management Consulting Division. He is the Executive Director of Management Consulting, responsible for consulting business globally and a Board member of Expleo Technology Germany GmbH, which is responsible for the QMC business.

He has built up his career in technology and consulting with Ford Motor Company for 10 years as system and business analyst and project and programme manager on complex global information technology programmes. He worked with Llyods Register of Shipping for 5 years, running IT Application and infrastructure development projects. He was also engaged with Global Programme Management Consultancy (Pcubed) for their European Operations and was promoted as Global CEO and been with them for a period of

15 years. Martin is an Engineering Graduate from Cambridge University.

7. RAJIV KUCHHAL

Independent Director

Rajiv is an Independent Director of Expleo Solutions Limited.

He 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 Indian Institute of Technology, Delhi.

8. RALPH GILLESSEN

Director (Non-Executive)

Ralph Gillessen is the Director (Non-Executive) of Expleo Solutions Limited.

Ralph Gillessen is Board Member of Expleo Germany Holding GmbH providing the global leadership of the sales teams and is responsible for assuring client delivery and resource management for all Expleo Quality and Management Consulting activities.

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 entered the SQS management board in January, 2013 and is member of Expleo Group Executive Committee since January, 2018.

9. ULRICH BÄUMER

Independent Director

Ulrich is an Independent Director of Expleo Solutions Limited.

He is a dual qualified (Rechtsanwalt - Germany; Attorney-at-law - New York) 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. He drafts and negotiates complex international IT project (especially outsourcing and licensing) contracts and assists the technology clients of the firm in M&A 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. Ulrich is the Justiziar (inhouse lawyer) of VOICE e.V., the German CIO association. Ulrich is a lecturer at law (IT law) at the University of Cologne, the WHU-Otto Beisheim School of Management, Columbia University (NY/Paris) and the National Law School University of India (Bangalore).

Letter to the shareholders



Prof. K. Kumar
Deputy Chairman

Dear Shareholders,

The financial year gone by witnessed the expansion of our new, invigorated brand, Expleo Solutions, part of the Expleo Group of companies, focusing exclusively on business assurance, quality assurance and software testing for the Banking, Insurance and Financial services industries. In this communication, I would like to share with you our performance for the financial year 2019-20, update on business operations, new opportunities, and our response to combat Covid-19.

During the financial year 2019-20, we have reported total income of INR 2,780 Mn (INR 278 crores) compared to INR 2,888 Mn (INR 288 crores) in financial year 2018-19, reflecting a drop of 3.7% on year on year basis. We achieved a Net Profit Margin of 14.2%, an increase of 13.7% over the previous year. Our net cash position stood at INR 872 Mn for the financial year 2019-20 compared to INR 987 Mn in financial year 2018-19. During the year, 21% of our business came from the Expleo Group as against 19% in the previous year.

We were able to achieve this performance in the financial year 2019-20 despite the main markets of United Kingdom (UK) and Europe witnessing some headwinds in terms of growth. On the positive side, the markets in Middle East and Asia, where we are offering our services directly,

continued to grow. Some of the key European clients also showed increased business activities. However, the United States (US) continued to remain a weak market for us, despite its huge potential. Your company opened a branch office in Philippines and received necessary approvals from various Statutory Authorities in Philippines to commence commercial operation from this branch office.

Expleo was recognized as a 'Leader' in the overall market segment for next generation software testing services in the Nelson Hall's April, 2019 report.



Additionally, we were also positioned as a 'Leader' in mobile testing, AI-based automation and other cognitive & testing capabilities. This is a testament to the excellent work of our teams and an encouragement to continue to deliver effective solutions for our clients. As the technologies keep evolving, we are keen to remain at the forefront of the next generation of quality services, especially in mobile, AI-based and Robotics Process Automation (RPA). We will continue to invest in Quality Engineering and Quality Assurance (QA) around embedded software, Internet of Things (IoT) and Product Life Cycle Management (PLM) in coming years.

The Banks and Financial institutions have started recognising the need to evolve from traditional models to a fully agile approach to accelerate the pace of digital transformation. They are facing significant disruption, led by changing consumer demand and proliferating new technologies. They are also challenged by intense new competition from nimble FinTech start-ups and digital native challenger banks. Agility and speed to scale have become more business critical than ever before. Businesses are getting a taste of the benefits that process automation can provide them to meet these critical demands.

Our clients are increasingly adapting to new age digital technology to operate successfully in today's disrupted world. Most banks have embarked on digital transformation initiatives in their quest for innovation, shorter new product development cycles and reduced costs. We work closely with global banks and institutions, helping them to navigate these challenges. We are well positioned to hand hold our clients in their journey of transition, by helping them to create, test, and scale digital solutions and operationalise them at a rapid pace.

During the year, we saw strong demand for digital and new age services such as Robotic Process Automation (RPA), Application Programming Interface (API) Banking, Artificial Intelligence (AI) and DevOps. We continue to increase our service footprint and offerings in these areas. Rapid digital transformation and rising test automation for lower operational costs along with enhanced quality assurance are key drivers for client organizations to adopt digital assurance. We will continue to explore strategic partnership with technology and platform providers who would help us reach a larger set of such customers in coming years. Most importantly, we will continue to invest in upskilling and right skilling of our employees and getting them trained and certified to adapt to the new age technologies. We have set a target

for transforming at least 50% of employees into techno-functional employees by end of 2020. We believe such a transformation will position us better to face the dynamic changes in market conditions post Covid-19. The new age services offered by Industry 4.0 technologies have already proven to be a great boon during the tough times brought on to the business world by Covid-19 pandemic.

We are tending towards a new normal even as the Covid-19 pandemic is continuing to create disorder across the globe. We have two priorities right now, protecting our employees and securing our business during this crisis. The safety of our employees is our first concern, especially for those who are still working, or are going back to work, on our or clients' sites when remote working is not possible. We want to recognise their commitment to our clients and continuity of our company critical services. We are incredibly proud of the agility and commitment demonstrated by Expleo community to adapt to this new normal, in the face of great uncertainty.

As the pandemic develops, we continue to provide our services in all the 30 countries where we have operations, and we are delivering most of our client activities remotely. We have been able to switch over 95% of our employees to deliver our client services remotely while maintaining high standard of cyber-security. Due to high uncertainty, it is too early to say how Covid-19 will affect Expleo Solutions' business and financial performance in the financial year 2020-2021. As for the future, our topmost priority is to make sure that your company exits this period strong, better placed to accompany our clients through their recovery and back to growth. We are confident that we will overcome this situation together.

On behalf of Board, I would like to take this opportunity to wish our customers a speedy return to normalcy in their business operations and also to thank them for the trust reposed in us. I would also like to congratulate our staff for the exemplary commitment and hard work demonstrated by them. I would like to thank you, our valued shareholders, for extending your continued support and reposing your confidence in your company.

Stay safe, healthy, and take care of your families.

Yours Sincerely,

Prof. K. Kumar

Deputy Chairman

Performance highlights

Decade at a Glance (Consolidated Basis)

Rs. in Millions

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Revenue**	2,694	2,828	2,712	2,599	2,642	2,142	1,944	1,614	1,214	829
EBIDTA #	610	591	538	424	605	389	499	326	224	61
Profit Before Tax #	541	536	479	370	562	320	422	265	185	32
Profit After Tax #	399	362	319	232	369	216	300	194	114	19
Fixed Assets: Gross Block #	432	324	307	300	526	483	473	457	225	194
Fixed Assets: Net Block #	260	189	224	267	248	243	274	312	109	112
Share Capital #	103	107	107	107	106	105	103	101	101	101
Reserves and surplus #	1,420	1,281	1,179	1,164	1,239	911	980	781	655	599
Networth #	1,522	1,388	1,286	1,271	1,345	1,016	1,082	882	755	700
Sundry Debtors #	759	457	681	424	541	567	558	413	236	229
Cash and Bank Balances #	872	987	850	891	861	683	502	394	404	400
Current Assets #	1,776	1,625	1,633	1,380	1,519	1,380	1,157	952	899	762
Current Liabilities #	537	522	626	435	490	560	290	289	263	183
Working Capital #	1,239	1,103	1,007	945	1,029	820	867	663	636	579
Employee Strength (No.s)	1,062	962	1,012	919	1,076	907	905	782	742	661
No of Equity Shares (‘000)	10,252	10,713	10,710	10,680	10,639	10,545	10,268	10,124	10,052	10,052
Earnings Per Share (Diluted) (Rs.) #	38.51	33.79	29.9	22.3	34.6	20.6	28.7	19.0	11.3	1.9
Book Value per Share (Rs.)	148.45	129.6	120.1	119.0	126.4	96.4	105.4	87.1	75.1	69.6
Dividend - Rs. per share (Interim and Final)	-	-	24.0	24.0	24.0	24.0	9.0	6.0	5.0	1.0

EBITDA : Earnings before Interest, Depreciation, Taxes & Amortization

** Export incentives are reclassified to Other Income

Figures are as per Ind AS format from the year 2015-16 onwards

One Million (Mn) is equal to Ten lakhs

Directors' report

Dear members

The Company is pleased to present the report on its business and operations for the year ended March 31, 2020.

1. Financial highlights for the year ended March 31, 2020:

(Rs. in Millions)

	Consolidated		Standalone	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Total Income	2,779.87	2,887.69	2,761.70	2,883.26
Employee benefits expense	1,793.10	1,833.59	1,347.15	1,249.77
Depreciation and amortization expenses	58.22	54.99	58.00	54.76
General, administrative and other Expenses	376.91	462.76	858.13	1,097.79
Finance cost	11.08	0.67	11.08	0.67
Total Expenses	2,239.31	2,352.01	2,274.36	2,402.99
Profit/(loss) before exceptional Items	540.56	535.68	487.34	480.27
Exceptional Items	-	-	-	-
Profit Before Tax	540.56	535.68	487.34	480.27
Tax expense	141.54	173.66	137.85	165.89
Profit After Tax	399.02	362.02	349.49	314.38
Other Comprehensive Income	(4.33)	(1.55)	(4.67)	(1.55)
Total Comprehensive Income	394.69	360.47	344.82	312.83
Earnings per Equity share (Par value of Rs. 10/- each)				
Basic (Rs.)	38.51	33.79	33.73	29.35
Diluted (Rs.)	38.51	33.79	33.73	29.35

2. Business and Operations Review:

Total operating revenue was Rs. 2,694.04 Mn for the Financial Year 2019-20, which as compared to Rs. 2,827.73 Mn in the previous year is lower by five percent. Total Comprehensive Income stood at Rs. 344.82 Mn, (representing 12% of Total Income) as against Rs. 312.83 Mn (11% of Total Income) in the previous year. This signifies an improvement over the previous year both in absolute and percentage terms. Currency fluctuations resulted in Profit for the year of Rs. 43.97 Mn as compared to a loss of Rs. 26.94 Mn in the previous year.

Geographically, the Company's revenue from operations has been more diversified this year with revenue from operations from India, the Middle East, Asia and Australia rising to 35% (as compared to 28% in the previous year). The business derived from Europe was 62% of its revenues from operations and 3% from US. During the year, the proportion of Onsite revenue stood at 53% as compared to 58% in the previous year and the Offshore revenue stood at 47% as compared to 42% in the previous year.

During the year under review, new client acquisitions contributed to 5% of revenue from operations. The

repeat business from existing clients accounted for 95% of revenue from operations as compared to 97% in the previous year.

The revenue from Group clients for financial year 2019-20 increased to 21% as compared to 19% in the previous financial year. On the practice front, the Banking practice registered degrowth of 12% as compared to the previous year, contributing 35% of revenues.

Employee strength, as on March 31, 2020, for the standalone entity was 990 (consolidated entity 1062) as compared to 889 (consolidated entity 962) in the previous year. The percentage of women employees during the year was maintained at 37 percent. For the consolidated entity, the women employees during the year stood at 387 (36%) as compared to 340 (35%) in the previous year. The attrition is reduced to 20% for the year ended March 31, 2020 as compared to 24% in the previous year.

3. Capital expenditure:

During the financial year 2019-20, the Company added Rs. 129.44 Mn to its to the Company's gross block with capital expenditure, which comprised Rs. 106.18 Mn on account of Leasehold assets, Rs. 19.40 Mn on technology infrastructure, Rs. 3.86 Mn through physical infrastructure, and the balance Rs. 0.01 Mn through intangible asset addition.

4. Liquidity:

The Company continues to maintain comfortable cash balances to meet its strategic objectives. The liquid assets as at the end of the year stood at Rs. 1,338.77 Mn (against Rs. 1,132.39 Mn in the previous year). The Company's Cash balance stood at Rs. 699.94 Mn as compared to Rs. 839.71 Mn in the previous year.

5. Share capital:

At the end of the financial year March 31, 2020, the Company's Paid-up Equity Share Capital stood at Rs. 102.52 Mn, consisting of 1,02,52,485 fully Paid-up Equity Shares of Rs. 10/- each.

Buyback of Equity Shares:

The Company had announced the 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 Rs. 10/- (Rupees Ten only) each ("Equity Shares"), representing 4.30% of the total number of Equity Shares of the paid-up Equity Share Capital of the Company from the shareholders or beneficial owners of Equity Shares of the Company as on the record date i.e. April 12, 2019 ("Record Date"), on a proportionate basis, through the "Tender Offer" route at a

price of Rs. 550/- (Rupees Five hundred and fifty only) per Equity Share, payable in cash, for an aggregate amount not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crores Thirty Four Lakhs Ninety Two Thousand Eight Hundred only) ("Buyback Offer Size") excluding the Transaction Costs. The Buyback Offer Size 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.

The Company adopted the tender offer route for the purpose of the Buyback. The Buyback was implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by the 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, including any amendments thereof, issued by Securities and Exchange Board of India ("SEBI").

The tendering period for the Buyback Offer opened on Thursday, May 30, 2019 and closed on Thursday, June 13, 2019.

The Company bought back an aggregate of 4,60,896 (Four Lakhs Sixty Thousand Eight Hundred and Ninety Six) Equity Shares under the Buyback, at a price of Rs. 550/- (Rupees Five hundred and fifty only) per Equity Share.

The total amount utilized in the Buyback is Rs. 25,34,92,800/- (Rupees Twenty Five Crores Thirty Four Lakhs Ninety Two Thousand Eight Hundred only) excluding the Transaction Costs.

Equity Shares held in dematerialized form accepted under the Buyback were transferred to the Company's Demat Account on Friday, June 21, 2019. The unaccepted dematerialized Equity Shares have been returned to respective Seller Member/Custodians by the Clearing Corporations on Friday, June 21, 2019. There were no tender of shares in the buyback received in physical form.

The 4,60,896 (Four Lakhs Sixty Thousand Eight Hundred and Ninety Six) Equity Shares accepted under the Buyback were extinguished on June 26, 2019.

6. Net worth:

The Company's net worth stood at Rs. 1,152.52 Mn as at March 31, 2020 as against Rs. 1,068.82 Mn at the end of the previous year.

7. Transfer to general reserve:

During the financial year, the Company transferred Rs. 34.00 Mn (previous year - Rs. 31.00 Mn) to the general

reserve, which represents 10% of the net profit of the Company. As a result, the total amount of general reserve as on March 31, 2020 was Rs. 246.09 Mn (previous year - Rs. 212.09 Mn).

8. Dividend:

The Company has not declared or recommended any Dividend during the Financial Year 2019-20.

9. Subsidiaries and Branches:

The Company operates internationally through four wholly-owned subsidiaries:

- a) Expleo Solutions Pte. Ltd., Singapore (formerly known as SQS BFSI PTE. LTD)
- b) Expleo Solutions UK Ltd., UK (formerly known as SQS BFSI UK LTD)
- c) Expleo Solutions Inc., USA, (formerly known as SQS BFSI Inc., USA)
- d) Expleo Solutions FZE, UAE, (formerly known as SQS BFSI FZE., UAE)

The Board of Directors of the Company reviewed the affairs of the wholly owned subsidiaries of the Company for the financial year 2019-20. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the Consolidated Financial Statements of the Company, which forms part of this Annual Report. Further, a separate section on the salient features, performance and financial position of each of the subsidiaries and their contribution to the overall performance of the Company during the period under report, as prescribed under Section 129(3) of the Companies Act, 2013, read with Rule 5 and Rule 8(1) of Companies (Accounts) Rules, 2014, can be found in **Annexure I**.

The Audited Annual Accounts and related information of subsidiaries, wherever applicable, will be made available to shareholders upon request and will also be available for inspection during normal business hours at the registered office of the Company. The Audited Annual Financial Statements shall also be available on the website of the Company.

The Company has opened a Branch office at Philippines during the year. The Company also has Branch offices in Belgium and Malaysia.

10. Annual Return:

The extracts of the Annual Return for the financial year ended March 31, 2020, as prescribed under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of Companies (Management and Administration) Rules, 2014, is given in **Annexure II**.

The same is disclosed on the website of the Company <https://expleogroup.com/expleo-solutions/financial/> - AGM and Annual Reports

11. Number of meetings of the Board:

The Board met four times during the financial year. The dates on which the said meetings were held are as follows: May 06, 2019, July 31, 2019, October 31, 2019 and January 30, 2020.

Further details of the same are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

12. Corporate Governance and Management Discussion Analysis Report:

A separate section on Corporate Governance, forming part of the Directors' Report and the certificate from the Company's auditors confirming compliance with Corporate Governance norms, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are included in the Annual Report. The Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time. A separate Management Discussion and Analysis Report is also attached and forms part of this report.

13. Business Responsibility Report:

A separate section on Business Responsibility Report is attached and forms part of this report.

14. Declaration given by Independent Directors:

All the Independent Directors of the Company have given their declaration under Section 149(7) of the Companies Act, 2013, confirming that they are in compliance with the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013, and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for being an Independent Director of the Company.

15. Policy on Directors' appointment and remuneration:

The Company has a policy in place on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters, as required under Section 178(3) of the Companies Act, 2013, and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. There has been no change in the policy since

the last financial year. The details of the remuneration policy are covered in the Corporate Governance Report and the same is disclosed on the website of the Company https://expleogroup.com/Policy_on_Remuneration_of_Directors_KMPs_and_Sr_Employees/.

16. Particulars of loans, guarantees or investments:

The Company has neither given any loan to any person nor given any guarantee or provided security in connection with a loan to any other body corporate or person or acquired by way of subscription, purchase or otherwise, the securities of any other body corporate. The Company has the following investments in its wholly-owned subsidiaries as specified under Section 186 of the Companies Act, 2013:

Particulars	Rs. in Millions	
	March 31, 2020	March 31, 2019
Unquoted equity Instruments (in Subsidiaries)		
100,000 equity shares (Previous year - 100,000 equity shares) of SGD 1/- each in Expleo Solutions Pte. Ltd., Singapore (formerly known as SQS BFSI Pte. Ltd., Singapore)	2.66	2.66
3,000 equity shares (Previous year - 3,000 equity shares) of USD 0.01/- each in Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	4.62	4.62
350,000 equity shares (Previous year - 350,000 equity shares) of GBP 1/- each in Expleo Solutions UK Ltd., UK (formerly known as SQS BFSI UK Ltd., UK)	24.17	24.17
600 equity shares (Previous year - 600 equity shares) of AED 1,000/- each in Expleo Solutions FZE., UAE (formerly known as SQS BFSI FZE., UAE)	8.70	8.70

17. Particulars of contracts or arrangements with related parties:

During the year 2019-20, all the contracts and arrangements entered by the Company with related parties were on an “arm’s length” basis and in the ordinary course of business. The total value of all the transactions with M/s. Expleo Group (formerly known

as Assystem Technologies Groupe SAS) along with its subsidiaries is above the threshold limit of 10% of the previous year consolidated turnover of the Company. These transactions have been classified as “Material Transactions” as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. However, the aforesaid transactions fall within the limits as approved by the Shareholders in the Annual General Meeting held on July 26, 2018. There are no material significant related party transactions made by the Company with Directors, Key Managerial Personnel, Senior Management Personnel or other designated persons, which may have a potential conflict with the interests of the Company at large. All related party transactions are placed before the Audit Committee and the Board of Directors for their prior approval.

In respect of transactions with the wholly-owned subsidiaries which are foreseen and repetitive in nature, prior omnibus approval of the Audit Committee is obtained on an annual basis. The transactions entered pursuant to the omnibus approval so granted are tracked and verified. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The Policy on Materiality of Related Party Transactions as approved by the Board of Directors is available on the Company’s website. The weblink for the same is <https://expleogroup.com/policy-materiality-of-related-party-transactions/>.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The details of contracts or arrangements with related parties entered during the year are given in a separate annexure to the report in **Annexure III**.

18. Material changes and commitments, if any, affecting the financial position of the Company:

There are no material changes or commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

19. Transfer to Investor Education and Protection Fund (“IEPF”):

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘the Rules’), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of

seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. During the financial year 2019-20, an amount of Rs. 391,131/-, which was lying in the Final Dividend account pertaining to the year 2011-12 and an amount of Rs. 310,764/- lying in the Interim Dividend account pertaining to the year 2012-13 of the Company was transferred to the IEPF on completion of 7 years. Pursuant to proviso to Rule (6) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, wherein the seven years period provided under sub-section (5) of Section 124 is completed for unpaid / unclaimed dividends during 2019-20, the Company had transferred 487 Equity Shares to the credit of IEPF Authority, in respect of shareholders who have not claimed their Dividend for a consecutive period of 7 years. Members who have so far not encashed their dividend warrant(s) or those yet to claim their dividend amounts, may write to the Company Secretary & Compliance Officer / Company's Registrar and Share Transfer Agent (Cameo Corporate Services Limited). The details of shareholders in respect of whom the shares were transferred to IEPF Authority are available in the website and link for the same is <https://expleogroup.com/expleo-solutions/corporate-governance/> - Transferred to IEPF.

20. Conservation of energy, research and development, technology absorption, foreign exchange earnings and out go:

(A) Conservation of energy:

(i) The steps taken that impact conservation of energy: The Company always actively promotes eco-friendly and go-green initiatives. The Company continues to work on reducing its carbon footprint, energy conservation and usage of alternative energy, wherever possible. The Company continues to deploy adequate measures to conserve energy by using less power consuming USFF based computers, and deploying of LEDs for perimeter lighting in the MEPZ premise. The Company is also in the process of optimizing lighting equipment resulting in overall reduction of light bulbs and conversion to LED bulbs. VRF based Air-conditioning and sensor based lighting in all cabins and meeting rooms has significantly reduced the electricity consumption and also the carbon footprint. As a part of go-green initiatives trees, the Company continues to plant new trees in

the Madras Export Processing Zone (MEPZ) facility to commemorate any significant event in the organisation like a customer visit or retirement of an employee.

- (ii) Steps taken by the Company for utilizing alternate sources of energy: The Company's registered office is located in a tech park wherein close to 80% of the energy consumed is being sourced from the grid using wind turbines, thus promoting 'Green Energy'.
- (iii) Capital investment on energy conservation equipment: Nil

(B) Research & Development and Technology absorption:

- (i) The Company has significantly grown its digital skills. It is developing a technology hub in India called "Digital Labs" which helps customers in their digital transformation projects such as DevOps, Continuous Integration & Deployment (CI/CD), Infrastructure as Code (IaC), Performance Engineering, Security Engineering and Robotic Process Automation (RPA), Internet of Things (IoT) and Robotics. The Company is leading the efforts of group in transforming its workforce into Digital by focusing clearly on the futuristic technologies and methodologies.
- (ii) The Company's focus on innovative and intelligent test automation yielded in researching and developing an accelerator called Auto-Q BA which packs automatic data generation, automatic script generation for REST API test suites and orchestrated distributed execution. This Auto-Q BA accelerator is undergoing fit for purpose validation in two customer projects - one for a large nationalized bank in Ireland and the other for a large PLM customer based in Germany.
- (iii) The Company's R&D focus on data analytics and data sciences resulted in winning a landmark BIG Data analytics project with RBI. The Company has also hired data scientists to meet the growing needs in this focus area.
- (iv) The Company's focus on Robotic Process Automation (RPA) is growing with multiple projects. The Company has successfully completed a Python AI/ML based PoC for a leading bank in the Philippines for predicting the customer risk when onboarding them into the RPA solution. To broaden its reach, the Company has partnered with EdgeVerve and is investing in its marketing outreach program.

- (v) The Company has hired a Senior Development Manager in Chennai to strengthen its software development and R&D focus. It has successfully completed a number of development projects in MEAN and MERN full stack development technologies. The Company has quickly scaled up its development team to 40 members.
- (vi) The Company has developed newer cutting-edge technological skills in NVIDIA CUDA, OpenCV, Deep Learning, Machine Learning, Data Analytics with Python and R programming language and also in connected cars, Robotics and IoT (internet of things) and ROS (Robotic Operating System). The Company has been developing a service robot to show case its skills and train people in this area. The focus has yielded in approaching test automation from AI perspective in auto learning objects, auto generating test data and introducing a step change in test automation by making the computer fill forms and respond to computers just like humans do by correcting the field data entry by reading, interpreting and responding to the warning and error messages emitted by the system under test.
- (vii) The Company is focussing on low-code / no-code development significantly and has been working successfully with a partner – Neutrinos.co This has resulted in multiple Neutrinos implementation projects for a growing insurance company in South Africa and Neutrinos product development in Bengaluru. We have so far produced 10 Neutrinos certified professional developers from Expleo Solutions Ltd including a Lead Architect.
- (viii) The Company has completely moved to Office 365 based Video Conferencing systems and most meetings are held on VC thereby reducing travel costs and need for people to be physically together for any discussions.
- (ix) The procurement system continuously ensures cost effective purchases of the hardware, more through local vendors, thereby reducing imports dependency. Where required, the Company also imports servers, switches and other hardware products and using foreign currency from out of its Exchange Earners' Foreign Currency (EEFC) accounts.
- (x) There has been no import of technology during the last three financial years.

(C) Foreign exchange earnings and outgo:

Foreign exchange earned during the year in terms of actual inflows was Rs. 1,583.20 Mn Foreign exchange

outgo during the year in terms of actual outflows was Rs. 469.14 Mn.

The current year inflows and outflows are in terms of the movement of funds into and outside India in foreign currency.

21. Risk management:

The Company is committed to effectively manage its operational, financial and other risks with a view to achieve a balance between acceptable levels of risk and reward. The Company has a policy on risk assessment and minimization procedures which describes the risk management methodology, structures and systems involving personnel at all levels of the Company to manage various business uncertainties and to enable arriving at the right decisions pertaining to all business divisions and corporate functions. Risk Management in the Company includes identification, assessment, monitoring and mitigation of various risks through a comprehensively evolved process over the years. This includes:

- Quarterly internal audits by an independent firm;
- Regular process compliance audits for ISO 9001 and ISO 27001 standards;
- Periodic audits of compliance to other regulatory frameworks;
- Annual capital and revenue budget planning followed by monthly reviews;
- Annual sales planning with monthly/periodic monitoring;
- Annual perspective and strategic planning exercise with yearly update;
- A conservative approach in planning funding requirements.

The Company has developed, over the last few years, a comprehensive internal financial control processes and procedures that could effectively mitigate the overall organizational risks. These processes and controls form part of review, verification and improvement by its internal audit and process teams, as detailed in the following section.

22. Adequacy of Internal Financial Controls:

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of Internal Financial Controls.

An extensive programme of internal audits and management reviews supplement the process of Internal Financial Control framework. Properly documented policies, guidelines and procedures are laid down for this purpose. The Internal Financial Control framework has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. In addition, the Company has identified and documented the risks and controls for each process that links to the financial operations and reporting.

The Company also has an Audit Committee, comprising of 3 (Three) Directors, who interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls. The framework for the Internal Financial Controls was made by:

- Defining controls, governance and standards, which includes policies and procedures, organizational structures and performance objectives;
- Establishing control designs, which includes roles and responsibilities, risk identification and capacity to deliver business objectives;
- Evolving controls including control systems and improvements;
- Compliance and control monitoring through internal resource or through audit or a combination of both.

The internal audit team along with the process team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit, corrective actions, if any, in the respective areas are undertaken and controls strengthened. Significant audit observations and responses/corrective actions, if any, are presented to the Audit Committee of the Board. During the year, review of Internal Financial Control (IFC) has been carried out by the Statutory Auditors and their report thereat annexed as part of Independent Auditor's Report.

23. Corporate Social Responsibility:

Expleo Group's Corporate Social Responsibility (CSR) vision is to be a company that is committed to the major societal issues of the time. The Company's approach reflects its principles & values and has ambitious targets that are meaningful and create value for all stakeholders.

Through its Corporate Social Responsibility ("CSR") initiatives, Expleo Solutions Limited focuses on the promotion of education to differently abled and the under privileged. This support extends in the form of infrastructure support for the education in rural areas, creating awareness and raising the scientific tempo in underprivileged communities, providing digital class room environment in rural areas and supporting children with learning disabilities in government schools. Apart from education, the Company also contributes to promoting a clean and green environment.

To support national priorities, the Company also contributes to the Prime Minister Relief Fund. During March 2020, the Company contributed to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund' (PM CARES Fund) to support the Central Government in the fight against the Covid-19 pandemic. During the financial year 2020-21 the support was also extended to the Corporations of Chennai and Mumbai by providing three layered face masks and Personal Protective Suit to be used by doctors and other frontline workers.

During the year, the Company engaged in the following projects:

i. Supporting the education of the differently abled:

Expleo continues its association with Vidya Sagar, Kotturpuram, an organisation committed to supporting the differently abled, by contributing to their High School Project and the Sadya.

The High School Project supports providing physiotherapy, speech, alternative and augmentative communication training to the differently abled children and helps them to enrol into the National Institute of Open Schooling (NIOS) to write their 10th and 12th exams. It also helps them to acquire functional skills and life skills thereby enabling them to get opportunities to explore vocations.

Employees are encouraged to participate in all the CSR activities. For Vidya Sagar, the Company contributes monthly a sum equal to the contribution by the employees.

Sadya is an inter corporate event completely managed by volunteers and all the funds raised will be utilised for the projects of Vidya Sagar. Different corporates participated in the event which shall consist of adventure sports like, scaling a 50 foot

wall to rapid rappelling, tricky obstacle courses, blind folded tent pitching, Pythagoras and water games. The event would be a good team building activity. During the year the following awards were won by the Expleons: 1) Runners up; 2) Best Sportswoman; and 3) Best Sportsman.

ii. Create awareness and raise the Scientific tempo in underprivileged communities:

a) Contribution to Agastya International - Tech La Bike project, Mumbai:

Expleo has been partnering with Agastya International foundation by contribution to Tech La Bike project for the fourth consecutive year. For the last three years, the project was conducted at Chitoor, Palamner and Tirupati. The Company has now taken up this project at Powai and Navi Mumbai.

This Project helps in increased access to practical, hands-on Science, digital literacy for economically disadvantaged government school children. This initiative helps to spark curiosity, creativity and build leadership among underprivileged children. It also supplements the Government School system with experiential science learning linked to the school syllabus.

b) Create Science Centre to target Economically underprivileged group within Chennai:

A science centre has been set up at the Jaigopal Garodia Government Girls' HSC School, Virugambakkam and Jaigopal Garodia Government Girls' Higher Secondary School, Choolaimedu, Chennai to increase access to practical, hands-on Science education for economically disadvantaged government school children. It not only sparks curiosity, creativity and build leadership among underprivileged children but also supplements government school system with experiential science learning linked to school syllabus. An instructor is appointed permanently at the school as part of this project.

iii. Digital Education for underprivileged children - Through eVidyaloka:

The Company has contributed for setting up of digital classroom in government school in Arasoor Village, Thiruvannamalai District. This project connects volunteer teachers to children in remote villages of India, which thus works as a digital

classroom. They teach a group of government school students, sharing their knowledge and experience to the children. This creates interest amongst children to attend school and increases retention. Along with syllabus, the teachers also help the children acquire a vast knowledge, including the role of technology in today's fast paced life. The project helps rural India to get ready for rural skilling. The online classes support a total of 60 children studying in 5th to 8th grade in the government school at Arasoor.

iv. Providing a Clean and Green Environment through SankalpTaru:

The Company has continued its tree plantation activity this year with the active participation of its employees with the theme "Let them Live" – a pledge towards planting and protecting trees for a healthier, happier and cleaner plant. Around 900 trees have been planted at Mamallapuram at a denuded area of land belonging to panchayat, as part of community based plantation programme. A drip irrigation is followed to ensure the survival of trees. We have also contributed for planting fruit bearing and medicinal trees in and around Mumbai which not only promotes a greener environment but also support the livelihood of farmers as well.

v. Addressing the learning disabilities in the Children studying in Government School through C.P.R. Environmental Education Centre:

This Project involves identification of children with learning disabilities in government schools and providing them with proper support so that they are able to join back the main stream schools. The project involves, distribution of books to parents and teachers which help them to identify the disability, organizing workshops for primary school teachers and educating them to identify learning problems and disabilities and conducting a capacity enhancement program for the identified child which will be taken up with the help of a Psychologist, Counselor and Special Educator.

The details about the policy developed and implemented by the Company on Corporate Social Responsibility and initiatives taken during the year are given in **Annexure IV** as required under Companies (Corporate Social Responsibility Policy) Rules, 2014.

24. Composition and Recommendation of Audit Committee:

The Audit Committee of the Company has been constituted in line with the provisions of Section 177 of Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015. The members of the Audit Committee are as follows:

- 1) Prof. K. Kumar, Chairman
- 2) Prof. S. Rajagopalan, Member
- 3) Mr. Rajiv Kuchhal, Member
- 4) Mr. René Gawron, Member (upto October 14, 2019)

During the year, all the recommendations of the Audit Committee were accepted by the Board.

25. Vigil mechanism:

The Company has formulated and adopted a vigil mechanism for employees to report genuine unethical and improper practices or any other wrongful conduct in the Company to the Chairman of the Audit Committee. The Policy provides opportunities for employees to access the Audit Committee in good faith, if they observe unethical and improper practices. The Whistle Blower Policy of the Company is available on the website of the Company. The link for the same is <https://expleogroup.com/whistle-blower-policy/>.

26. Directors' Responsibility Statement as required under Section 134(5) of the Companies Act, 2013:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) Accounting policies have been selected and applied consistently; made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act to safeguard the assets of the Company, to prevent and detect fraud and other irregularities;
- d) Annual accounts were prepared on a going concern basis;

- e) Internal Financial Controls were laid down by the Company and that such internal financial controls are adequate and these were operating effectively; and
- f) Proper systems were devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

27. Board evaluation:

Pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors of the Company in their meeting held on May 28, 2020 evaluated its own performance, that of its committees and individual directors including Independent Directors. No Director participated in his / her own evaluation. The Independent Directors reviewed the performance of the Non-Independent Directors, Chairman and the Board at a separate meeting of Independent Directors held on January 30, 2020. The Board of Directors were evaluated on various criteria including attendance, participation in board meetings, their involvement by way of providing advice, guidance, suggestions on the business front and the willingness and commitment to devote the time necessary to fulfil his/her duties.

The Independent Directors were also evaluated based on the performance, professional conduct, roles and duties as specified in Schedule IV to the Companies Act, 2013 and based on the fulfilment of the Independent Director criteria as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation of the Board as a whole was based on composition and statutory compliance, understanding of business risks, adherence to process and procedures; overseeing management's procedures for enforcing the organization's code of conduct, ensuring that various policies, including the whistle blower policy of the Company, were in force and actions were taken as appropriate. The Board of Directors is of the opinion that the Independent Directors re-appointed during the year possess integrity, expertise and experience (including the proficiency).

28. Criteria for making payment to Non-Executive Directors:

The Nomination and Remuneration Committee and the Board of Directors, while deciding up on the payments to be made to the non-executive directors have considered the following criteria for making payments to non-executive directors:

- Performance of the Company
- Maintenance of independence & adherence to Corporate Governance
- Contributions during the meeting and guidance to the Board on important policy matters of the Company
- Active participation in strategic decision making and informal interaction with the management

29. Familiarization programs:

The Company has a familiarization program for Independent Directors pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The aim of the familiarization program is to provide the Independent Directors insights into the Company to enable them to understand the Company's business in depth and contribute significantly to the Company. The overview of the familiarization process and details of the familiarization programs imparted to the Independent Directors have been updated on the Company's website at <https://expleogroup.com/wp-content/uploads/2020/05/Details-Familiarisation-Programmes-for-Independent-Directors.pdf>

30. Policy for determining material subsidiaries:

Pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a policy for determining material subsidiaries has been formulated by the Company. The same is updated on the Company's website at <https://expleogroup.com/wp-content/uploads/2020/03/Policy-Determining-Material-Subsidiaries.pdf> and also dealt with elsewhere in the Annual Report.

31. Particulars of employees:

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement containing the names of top ten employees in terms of remuneration drawn during the financial year and that of every employee employed throughout the financial year and in receipt of a remuneration of Rs. 1.02 crore or more per annum or employed for part of the financial year and in receipt of Rs. 8.50 lakhs per month is annexed and forms part of this Report in **Annexure V A** and the ratio of remuneration of each director to that of median employees' remuneration as per Section 197 (12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Report in **Annexure V B**.

32. Directors & Key Managerial Personnel:

Mr. René Gawron (DIN - 06744645) resigned as Chairman and Non-Executive Director of the Company with effect from October 15, 2019 due to personal reasons.

The Board recorded the appreciation for the services rendered by Mr. René Gawron during his tenure as a Chairman of the Board of Directors (Non-Executive) of the Company.

Ms. Lilian Jessie Paul (DIN - 02864506) was re-appointed as Independent Director with effect from October 30, 2019 for a further period of 5 years.

Mr. Martin Hodgson (DIN - 08720176) has been appointed as Additional Director (Non-Executive) of the Company with effect from April 09, 2020 by the Board of Directors and he shall hold office up to the date of the ensuing Annual General Meeting.

33. Public deposits:

The Company has not accepted or renewed any public deposits and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

34. Statutory Auditors:

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai, are the Statutory Auditors of the Company. They were appointed in the 19th Annual General Meeting and will hold office till the conclusion of 24th Annual General Meeting of the Company. The report issued by the Auditors to the members for the financial year ended March 31, 2020 does not contain any qualification, reservation or adverse remark or disclaimer. There were no frauds reported by auditors under sub-section (12) of Section 143.

35. Maintenance of Cost Records:

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, does not apply to the Company.

36. Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M. Alagar & Associates, Practicing Company Secretaries, COP No.8196 as the Secretarial Auditor of the Company in the Board Meeting held on May 06, 2019 for the financial year 2019-20. The Secretarial Audit Report issued by M/s. M. Alagar & Associates is annexed and forms part of this Report in **Annexure VI**. The Secretarial Audit Report does not contain any reservation or adverse remark for the year

under review. Further, the Company complies with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and notified by Ministry of Corporate Affairs (MCA).

37. Significant and Material orders passed by the regulators, courts or tribunals:

There are no significant and material orders passed by the regulators or courts or tribunals that may have an impact for the Company as a going concern and/or Company's operations.

38. Human potential:

The Company emphasizes the importance of helping its people achieve their maximum potential in all aspects of their functioning. The Company maintains a strong learning culture and provide a wide range of opportunities for employees to learn, develop, and progress in their careers.

The programs conducted under various learning categories are mentioned below:

Technology: The Company majorly focuses on technical skills such as Java, Performance Engineering, Appium, Security, Structured Query Language, and Python etc.

Domain and Domain products: The Company conducted Guidewire, FinAstra, Banking payments, Cards, Treasury and Capital Markets, Insurance and other domain related trainings.

Testing: The Company conducted programs such as Extract Transform Load (ETL) Testing, Test Automation, Test Methodology, and Security Testing etc.

Tools: Programs on Selenium, Robotic Process Automation, The Topology and Orchestration Specification for Cloud Applications (TOSCA), and JIRA bug tracking tool were conducted to sharpen employee knowledge on latest tools.

Process Methodologies: The Company conducted programs such as Agile/ Scrum, Accelerated Agile, Kanban and Agile Design Thinking.

Leadership skills: To enhance leadership skills we offered Management Development Program, Customer Relationship Management, and Strategic Management programs.

Soft Skills: To improve customer experience we conducted trainings on soft skills such as email etiquette, presentation skills, listening skills and other such competencies.

Apart from focused trainings on the above listed areas, the Company has also undertaken various Technology Transformation initiatives like:

Technical Upskilling

FinTech Quiz

Expert Connect Sessions, and

iShare (Knowledge Sharing Session)

These initiatives have helped the Company boost its average learning hours to 43 that exceeds the industry norm of 40 hours.

The Company has developed a strong internal pool of facilitators, and 70% of its trainings were conducted by internal trainers. It has also conducted a "Train the Trainer" workshop and have a Rewards and Recognition program for Star Facilitators.

The Company encouraged its associates to pursue key certifications relevant to its business like, International Software Testing Qualifications Board (ISTQB), Agile Extension, Certified Ethical Hacker (CEH), Topology and Orchestration Specification for Cloud Applications (TOSCA), Robotic Process Automation (RPA), Project Management Professional (PMP), and NSE ACADEMY'S Certification in Financial Markets (NCFM) / National Institute of Securities Markets (NISM).

The Company's key focus during the year was Quality Assurance (QA) – Quality Engineer (QE) enablement. It has trained more than 700 unique associates on Quality Engineer enablement curriculum and more than 250 associates on Quality Engineer advanced curriculum.

For the financial year 2020-21, its emphasis would be on areas such as DevOps, Low Code No Code platforms, Quality Engineer, and Test and process automation.

39. Quality, Technology and Systems:

The Company has established a Compliance Framework which follows a phased approach starting with establishing Legal, Contractual and Security requirements to be complied with, internal communication and creating awareness on requirements, integration of requirements with existing security and process framework for ongoing compliance, monitoring and audit for ensuring compliance, periodic assessment of maturing level of compliance processes and reporting and improvement of security framework. The compliance framework has been independently assessed and certified by external certification bodies on an annual basis.

ISO 9001: 2015 (Quality Management System) & ISO 27001:2013 (Information Security Management System)

All offshore testing centers of the Company are certified for Quality Management System (ISO 9001: 2015) and Information Security Management System (ISO 27001: 2013).

The Company promote the adoption of a process approach when developing, implementing and improving the effectiveness of a quality management system, to enhance customer satisfaction by meeting customer requirements. The process approach involves the systematic definition and management of processes, and their interactions, to achieve the intended results in accordance with the quality policy and strategic direction of the Top Management. The Company adopts various forms of improvement in addition to correction and continual improvement, such as breakthrough change, innovation and re-organization.

Information security in the Company is achieved by implementing a suitable set of controls, including policies, processes, procedures, organizational structures and software and hardware functions. These controls are established, implemented, monitored, reviewed and improved, to ensure that the specific security and business objectives of the organization are met.

The Company has adopted ISO 27001, an International Standard for establishing, implementing, maintaining and continually improving an information security management system. The adoption of an information security management system is a strategic decision for an organization. The establishment and implementation of an organization's information security management system is influenced by the organization's needs and objectives, security requirements, the organizational processes used and the size and structure of the organization. The information security management system in Expleo Solutions preserves the confidentiality, integrity and availability of information by applying a risk management process and gives confidence to interested parties that risks are adequately managed.

The information security management system is integrated with the organization's processes and overall management structure and information security is considered in the design of processes, information systems, and controls.

SSAE 18 (Statement on Standards for Attestation Engagements)/ISAE 3402 (the International Standard on Assurance Engagements):

The offshore TCoE (Testing Centre of Excellence) of the Company in Chennai is compliant with ISAE 3402 (the International Standard on Assurance Engagements) and SSAE 18 (Statement on Standards for Attestation Engagements). SSAE 18/ ISAE 3402 is an independent assessment report that provides the confidence on control procedures, adequacy and reasonable assurance in the Company's service delivery and information security, data privacy related controls. SSAE 18 is more relevant for the US market while ISAE 3402 is relevant for the rest of the World. This report has been prepared to provide information on the Application Testing services and related General Computer Controls for the services provided to Clients by the Company. The assessment report illustrates the positive effects of properly functioning and articulated control environment to an organization's senior management and our clients.

PCI-DSS (Payment Card Industry Data Security Standard):

Data protection is critical for the Company in maintaining its services to clients. The Company is also compliant with PCI-DSS, (Worldwide Data security standard defined by the Payment Card Industry Security Standards Council) which ensures data security and reduces the risk of data breaches. The Company adopted PCI DSS to meet the customer requirement specific to Cards domain. The Company has designed and implemented technical and operational controls to protect cardholder data.

The Company not only implemented a minimum set of requirements for protecting cardholder data, but also deployed additional controls and practices to further mitigate risks and to address local, regional and sector laws and regulations. These controls also address the legislation or regulatory requirements on protection of personally identifiable information or other data elements.

General Data Protection Regulation:

Data Protection is a major concern for organizations worldwide. The focus is on secure handling of data to ensure privacy of customer data and that of corporate data. When it comes to privacy, different countries have enacted laws to deal with Data Protection and Data Privacy. The European Union (EU) views privacy of personal information as a fundamental right and with the introduction of General Data Protection Regulation (GDPR) in 2018, EU has given people more control over their personal data. The United States has sector specific laws on privacy of customer data such as health information, and financial information. The Company, with its global reach and client base,

is expected to adhere to various such data privacy compliance requirements. The Company has designed and implemented a GDPR framework for protecting the Privacy related information provided by its customers from engagement till closure of services. As part of the GDPR framework, the Company ensures that the Contractual obligations with respect to protection of data are adhered through implementation of technical and organizational measures.

40. Disclosure as required under Section 22 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has a Policy on Sexual Harassment Prevention in place and has duly constituted the Internal Complaints Committee (ICC), in line with the requirements of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The ICC has been set up to redress any complaints received regarding sexual harassment. All employees are covered under this policy. There was one complaint received and resolved during the year.

41. Listing fees:

The Company confirms that it has paid the annual listing fees for the financial year 2020-21 to both National Stock Exchange of India Limited and BSE Limited.

42. Acknowledgments:

The Company thanks its customers, bankers and service providers for their continued support during the year. The Company places on record its appreciation for the

contribution made by its employees at all levels. Its success was made possible by their hard work, loyalty, cooperation and support.

The Company thanks the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Ministry of Corporate Affairs, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the State Governments, Madras Export Processing Zone (MEPZ) and other government agencies for their support and look forward to their continued support in the future. The Company also thanks the Governments of various countries where we have operations. The Directors also wish to place on record their appreciation of business constituents like SEBI, NSE, BSE, NSDL, CDSL etc. for their continued support for the growth of the Company. The Directors also thank investors for their continued faith in the Company.

**For and on behalf of Board of Directors of
Expleo Solutions Limited
(formerly known as SQS India BFSI Limited)**

Balaji Viswanathan

Managing Director & CEO

Prof. K. Kumar

Deputy Chairman &
Independent Director

Place: Chennai

Date : May 28, 2020

Annexure - I

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures:

Part A: Subsidiaries:

(Information in respect of each subsidiary to be presented with amounts in Rs. in Million – based on standalone financials of subsidiaries)

Sl.No.	1	2	3	4
Name of the Subsidiary	Expleo Solutions Pte. Ltd., Singapore (formerly known as SQS BFSI Pte. Ltd)	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	Expleo Solutions UK Ltd., UK (formerly known as SQS BFSI UK LTD)	Expleo Solutions FZE, UAE (formerly SQS BFSI FZE., UAE)
Date of Incorporation	21-Nov-2001	29-Apr-2002	1-Apr-2010	15-Jun-2010
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA	NA
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Singapore Dollars (SGD)	US Dollars (USD)	Great British Pound (GBP)	United Arab Emirates Dirham (AED)
	52.79	75.39	93.08	20.49
	(SGD VS INR as on 31.03.2020)	(USD VS INR as on 31.03.2020)	(GBP VS INR as on 31.03.2020)	(AED VS INR as on 31.03.2020)
Share capital (in Mn)	2.66	4.62	24.17	8.70
Reserves & surplus (in Mn)	101.69	105.00	100.76	64.87
Total Assets (in Mn.)	127.53	120.51	297.04	109.28
Total Liabilities (in Mn.)	23.18	10.89	172.11	35.72
Investments (in Mn.)	Nil	Nil	Nil	Nil
Turnover (in Mn.)	113.99	35.77	197.45	204.77
Profit / (Loss) before taxation (in Mn.)	14.96	12.14	15.89	10.05
Provision for taxation (in Mn)	1.16	0.38	2.14	-
Profit /(Loss) after taxation (in Mn)	13.79	11.76	13.75	10.05
Proposed Dividend	Nil	Nil	Nil	Nil
Extent of shareholding (in percentage)	100%	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations : **NIL**

2. Names of subsidiaries which have been liquidated or sold during the year : **NIL**

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

The Company does not have Associate or Joint ventures for which the details are to be given under Part B of this form.

**For and on behalf of the Board of
Expleo Solutions Limited
(formerly known as SQS India BFSI Limited)**

Prof. K. KUMAR
Deputy Chairman &
Director
DIN : 02343860

BALAJI VISWANATHAN
Managing Director & CEO
DIN : 06771242

DESIKAN NARAYANAN
Chief Financial Officer

S. SAMPATH KUMAR
Company Secretary &
Compliance Officer
ICSI Membership No. F3838

Place: Chennai

Date : May 28, 2020

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L64202TN1998PLC066604
Registration Date	June 08, 1998
Name of the Company	Expleo Solutions Limited (formerly known as SQS India BFSI Limited)
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered office and contact details	6A, Sixth Floor, Prince Infocity II, 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai – 600 096. Ph.+91 44 4392 3200 Website: https://expleosolutions.com
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building", V Floor, #1, Club House Road, Chennai - 600 002. Ph. +91 44 2846 0390; Email: cameo@cameoindia.com Website: www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	SOFTWARE TESTING SERVICE	62011	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SI.NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN /UIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Stollwerckstrasse 11, 51149 Cologne Germany	Amtsgericht Köln, HRB 12764	Holding	56.17%	2(46)
2	Expleo Solutions Pte. Ltd., Singapore (formerly known as SQS BFSI Pte. Ltd., Singapore) North Bridge, #19-04/05 High Street Centre, Singapore 179094	MAWAZ20020072	Subsidiary	100%	2(87)
3	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc. USA) SBS Centre, Office No.38, 3rd Floor, 500 Mamaroneck Avenue, Suite 320, Harrison, New York 10528, USA	MAWAZ20030150	Subsidiary	100%	2(87)
4	Expleo Solutions UK Ltd., UK (formerly known as SQS BFSI UK Ltd., UK) 7-11 Moorgate, London, EC2R 6AF, United Kingdom.	MAWAZ20100903	Subsidiary	100%	2(87)
5	Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE) P.O Box no 50989, Harmiyah Free Zone, Sharjah, UAE	MAWAZ20120523	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	-	-	-	-	-	-	-	-	-
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	5,758,804	-	5,758,804	53.75%	5,758,804	-	5,758,804	56.17%	2.42%
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	5,758,804	-	5,758,804	53.75%	5,758,804	-	5,758,804	56.17%	2.42%
	Total A=A(1)+A(2)	5,758,804	-	5,758,804	53.75%	5,758,804	-	5,758,804	56.17%	2.42%
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions /Banks	9,170	-	9,170	0.09%	-	-	-	-	-0.09%
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Portfolio Investors	39	-	39	0.00%	-	-	-	-	0.00%
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-

Expleo Solutions Limited (formerly known as SQS India BFSI Limited)
ANNEXURES TO DIRECTORS' REPORT

CATE- GORY CODE	CATEGORY OF SHAREHOLDER	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total B(1) :	9,209	-	9,209	0.09%	-	-	-	-	-0.09%
(2)	NON- INSTITUTIONS									
(a)	Bodies Corporate	755,796	-	755,796	7.05%	810,532	-	810,532	7.91%	0.85%
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	2,152,100	4	2,152,104	20.09%	2,064,225	4	2,064,229	20.13%	0.05%
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	1,442,254	-	1,442,254	13.46%	1,134,752	-	1,134,752	11.07%	-2.39%
(c)	Others									
	Clearing members	4,396	-	4,396	0.04%	11,735	-	11,735	0.11%	0.07%
	Non Resident Indians	195,216	-	195,216	1.82%	97,389	-	97,389	0.95%	-0.87%
	Non Resident Indian Non Repatriable	160,140	-	160,140	1.49%	179,862	-	179,862	1.75%	0.26%
	Trust	-	-	-	-	-	-	-	-	-
	Director or Director's Relatives	79,692	-	79,692	0.74%	70,855	-	70,855	0.69%	-0.05%
	HUF	152,328	-	152,328	1.42%	120,448	-	120,448	1.17%	-0.25%
	IEPF	3,442	-	3,442	0.03%	3,879	-	3,879	0.04%	0.01%
	Non Banking Financial Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	4,945,364	4	4,945,368	46.16%	4,493,677	4	4,493,681	43.83%	-2.33%
	Total B=B(1)+B(2) :	4,954,573	4	4,954,577	46.25%	4,493,677	4	4,493,681	43.83%	-2.42%
	Total (A+B) :	10,713,377	4	10,713,381	100.00%	10,252,481	4	10,252,485	100.00%	0.00%

CATEGORY CODE	CATEGORY OF SHAREHOLDER	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	SHARES HELD BY CUSTODIANS, AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C):	10,713,377	4	10,713,381	100%	10,252,481	4	10,252,485	100%	-

ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	5,758,804	53.75	-	5,758,804	56.17	-	2.42
	TOTAL	5,758,804	53.75	-	5,758,804	56.17	-	2.42

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	5,758,804	53.75	-	-
2	Increase in the percentage of shareholding during the year due to Promoter not participating in Buyback of Shares	-	2.42	-	56.17
3	At the end of the year	5,758,804	56.17	-	-

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):					
SI No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Rajasthan Global Securities Private Limited	403,463	3.77%	463,724	4.52%
2	Kalpraj Damji Dharamshi	175,000	1.63%	152,150	1.48%
3	Hemang Raichand Dharamshi	150,000	1.40%	130,415	1.27%
4	Nihar Nandan Nilekani	90,134	0.84%	88,366	0.86%
5	Ravindra Raichand Dharamshi	100,000	0.93%	86,943	0.85%
6	Axis Securites Limited	2,610	0.02%	81,004	0.79%
7	Suchithra E T	57,256	0.53%	60,967	0.59%
8	Zaki Abbas Nasser	55,000	0.51%	60,000	0.59%
9	Aparna Jain	108,000	1.01%	57,000	0.56%
10	Harsha Hemang Dharamshi	65,000	0.61%	56,513	0.55%

(v) Shareholding of Directors and Key Managerial Personnel:

SI No.	Shareholding of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Mr. Rajiv Kuchhal			-	-
1	At the beginning of the year	67,692	0.63	-	-
2	Decrease - Shares tendered in Buyback - 21 June, 2019	8,837	0.08	58,855	0.57
3	At the end of the year	58,855	0.57	-	-
	Prof. S. Rajagopalan			-	-
1	At the beginning of the year	1,000	0.01	-	-
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year		-	-
3	At the end of the year	1,000	0.01	-	-
	Prof. K. Kumar			-	-
1	At the beginning of the year	11,000	0.10	-	-
2	Increase in the percentage of shareholding during the year Due not participating in Buyback of Shares	-	0.005	11,000	0.11
3	At the end of the year	11,000	0.11	-	-

SI No.	Shareholding of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Other Directors			-	-
1	At the beginning of the year	None of the other directors holds shares in the Company			
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	None of the other directors holds shares in the Company			
3	At the end of the year	None of the other directors holds shares in the Company			

SI No.	Shareholding of KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Mr. Phani Tangirala, Senior Director - BFSI Appointed as KMP w.e.f. April 01, 2019				
1	At the beginning of the year	17,320	0.16	-	-
2	Increase in the percentage of shareholding during the year Due not participating in Buyback of Shares	-	0.01	17,320	0.17
3	At the end of the year	17,320	0.17	-	-
	Mr. S. Sampath Kumar, Company Secretary & Compliance Officer				
1	At the beginning of the year	5	-	-	-
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change during the year		-	-
3	At the end of the year	5	-	-	-
	Other KMPs				
1	At the beginning of the year	None of the other KMPs hold shares in the Company			
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	None of the other KMPs hold shares in the Company			
3	At the end of the year	None of the other KMPs hold shares in the Company			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Rs. In Millions				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs. In Millions		
Sl. No.	Particulars of Remuneration	Mr. Balaji Viswanathan, MD & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	12.92
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify....	-
5	Others, please specify	-
	i. Deferred bonus (pertaining to the current Financial Year payable in 2018)	-
	ii. Retirals	-
	iii. Others (incentives)##	3.39
	Total (A)	16.31

provision made in the books for which payment will be made during the FY 2020-21

B. Remuneration to other Directors:

Rs. In Millions

Independent Directors	Prof. K. Kumar	Prof. S. Rajagopalan	Mr. Rajiv Kuchhal	Mr. Ulrich Bäumer	Ms. Lilian Jessie Paul	Total Amount
Fee for attending Board / Committee Meetings	0.50	0.42	0.36	0.06	0.26	1.60
-Commission**	0.90	0.90	0.90	0.90	0.90	4.50
-Others, Please Specify	-	-	-	-	-	-
Total (1)	1.40	1.32	1.26	0.96	1.16	6.10
Other Non Executive Directors: Nil						
Fee for attending Board / Committee Meetings						-
-Commission**						
-Others, Please Specify						-
Total (2)						-
Total (B) = (1)+ (2)						6.10

** provision made in the books for which payment will be made during the FY 2020-21

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD:

Rs. In Millions

SI No.	Particulars of Remuneration	Mr. S. Sampath Kumar, Company Secretary & Compliance Officer	Mr. Desikan Narayanan, Chief Financial Officer	Mr. Phani Tangirala, Senior Director - BFSI KMP w.e.f. 01 April, 2019
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17 (1) of the Income Tax Act, 1961	2.93	5.40	9.56
	(b) Value of perquisites under Section 17 (2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17 (3) Income Tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	i. Deferred bonus (pertaining to the current Financial year payable in 2018)	-	-	-
	ii. Retirals	-	-	-
	iii. Others (incentives)##	0.27	1.20	0.52
	Total (A)	3.20	6.60	10.08

provision made in the books for which payment will be made during the FY 2020-21

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

**For and on behalf of Board of Directors of
Expleo Solutions Limited
(formerly Known as SQS India BFSI Limited)**

Place: Chennai
Date : May 28, 2020

Balaji Viswanathan
Managing Director & CEO

Prof. K. Kumar
Deputy Chairman &
Independent Director

Annexure - III

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Details of Related Party Transactions

1. Details of contracts or arrangements or transactions not at arm's length basis: None

(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/arrangements/transactions	-
(c)	Duration of the contracts/arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Justification for entering into such contracts or arrangements or transactions	-
(f)	Date(s) of approval by the Board	-
(g)	Amount paid as advances, if any:	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	-

2. Details of material contracts or arrangement or transactions at arm's length basis:

a)	Name(s) of the related party and nature of relationship	Expleo Group, its Holding Entity, its Subsidiaries and Associates (Group Companies)	Expleo Solutions UK Ltd. (formerly known as SQS BFSI UK Ltd.), UK (Subsidiary)	Expleo Solutions Pte. Ltd. (formerly known as SQS BFSI Pte. Ltd.), Singapore (Subsidiary)	Expleo Solutions Inc. (formerly known as SQS BFSI Inc.), USA (Subsidiary)	Expleo Solutions FZE. (formerly known as SQS BFSI FZE), UAE (Subsidiary)
b)	Nature of contracts/arrangements/transactions	Availing and Rendering of Services	Availing and Rendering of Services	Availing and Rendering of Services	Availing and Rendering of Services	Availing and Rendering of Services
c)	Duration of the contracts/arrangements/transactions	1 year from April 1, 2019 till March 31, 2020.	3 years from April 1, 2018 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.	3 years from April 1, 2018 till March 31, 2021.

a)	Name(s) of the related party and nature of relationship	Expleo Group, its Holding Entity, its Subsidiaries and Associates (Group Companies)	Expleo Solutions UK Ltd. (formerly known as SQS BFSI UK Ltd.), UK (Subsidiary)	Expleo Solutions Pte. Ltd. (formerly known as SQS BFSI Pte. Ltd.), Singapore (Subsidiary)	Expleo Solutions Inc. (formerly known as SQS BFSI Inc.), USA (Subsidiary)	Expleo Solutions FZE. (formerly known as SQS BFSI FZE), UAE (Subsidiary)
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	From Expleo Solutions Limited & its Subsidiaries to Group Companies - Up to INR 975 Mn. per financial year; From Group Companies to Expleo Solutions Limited & its Subsidiaries - Up to INR 975 Mn. per financial year	From Subsidiary to holding Company – Up to INR 1,000 Mn. for the financial year 2019-20; From Holding to Subsidiary Company – Up to INR 1,500 Mn. for the financial year 2019-20.	From Subsidiary to holding Company – Up to INR 200 Mn. for the financial year 2019-20; From Holding to Subsidiary Company – Up to INR 300 Mn. for the financial year 2019-20.	From Subsidiary to holding Company – Up to INR 450 Mn. for the financial year 2019-20; From Holding to Subsidiary Company – Up to INR 600 Mn. for the financial year 2019-20.	From Subsidiary to holding Company – Up to INR 300 Mn. for the financial year 2019-20; From Holding to Subsidiary Company – Up to INR 100 Mn. for the financial year 2019-20.
e)	Date(s) of approval by the Board, if any	May 04, 2018	May 06, 2019	May 06, 2019	May 06, 2019	May 06, 2019
f)	Amount paid as advances, if any	Nil	Nil	Nil	Nil	Nil

**For and on behalf of Board of Directors of
Expleo Solutions Limited
(formerly Known as SQS India BFSI Limited)**

Place: Chennai

Date : May 28, 2020

Balaji Viswanathan
Managing Director & CEO

Prof. K. Kumar
Deputy Chairman &
Independent Director

Annexure IV

Details to be disclosed in the Annual Report of the Company on Corporate Social Responsibility Activities

[Pursuant to Section 135 of the Companies Act, 2013 r/w Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1	A brief outline of the Company's CSR policy, including Overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	During this financial year 2019-20, the Company continued to make its commitments for the CSR initiatives, the details of the activities/ contributions are given below. The summary of Policy can be viewed at our website: https://expleogroup.com/policy-corporate-social-responsibility/
2	Composition of the CSR Committee	Prof. S. Rajagopalan Prof. K. Kumar Ms. Lilian Jessie Paul
3	Average Net Profit of the Company for past three financial years (Computed u/s 198)	INR 391,573,484
4	Prescribed CSR Expenditure (Two Percent of amount as in Item 3 above)	INR 78,31,470
5	Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year	INR 78,31,470
	b. Amount unspent, if any	Nil
	c. Manner in which the amount spent during the financial year	Details given below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other; 2. Specify the State and district where the projects or programs was undertaken	Amount outlay (budget) project or programwise	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
				Rs.	Rs.	Rs.	
1	Prime Minister Relief Fund	-	-	25,000	50,000	50,000	Direct
2	For the areas identified - Supporting Differently Abled	Education	Chennai, Tamilnadu	2,487,600	2,527,824	2,527,824	Direct - Vidya Sagar (formerly The Spastics Society of India)
3	For the areas identified - Supporting Differently Abled	Education	Chennai, Tamilnadu	973,604	975,000	975,000	Implementing agency - C.P.R. Environmental Education Centre

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs 1. Local area or other; 2. Specify the State and district where the projects or programs was undertaken	Amount outlay (budget) project or programwise	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
4	Creative Learning Project : Tech La Bike	Education	Mumbai, Maharashtra	1,175,572	1,680,000	1,680,000	Implementing agency - AGASTYA International Foundation
5	Science Centre Project	Education	Chennai, Tamilnadu	2,109,194	1,604,766	1,604,766	Implementing agency - AGASTYA International Foundation
6	Let them Live (Tree Plantation)	Environment Protection	Mumbai, Maharashtra and Chennai, Kancheepuram, Tiruvallur and Chengalpattu, Tamilnadu	500,000	500,000	500,000	Implementing agency - SankalpTaru
7	Digital Class room	Education	Erode, Tamilnadu	425,000	425,000	425,000	Implementing agency - eVidyaloka Trust
8	Administrative Expenses	-	-	135,500	68,880	68,880	-
	Total			7,831,470	7,831,470	7,831,470	

6 In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report - Not applicable.

7 The Corporate Social Responsibility Committee hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place : Chennai

Balaji Viswanathan

Prof. S. Rajagopalan

Date : May 28, 2020

Managing Director & CEO

Chairman - CSR Committee

Annexure V A

Pursuant to Section 197 of Companies Act, 2013 r/w Rule 5 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One crore and Two lakhs

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
1	Balaji Viswanathan	Managing Director & CEO	15,935,530	B.sc, ICWAI (Inter)	27	26/Jul/2018	47	Sr. Director - Global Banking & Insurance Delivery - Concentrix Daksh Service India Pvt Ltd	-	NA
2	Judson Daniel JM	QA Manager	11,256,849	B.Com, MCA	17	20/Feb/2003	41	First Employment in Thinksoft	-	NA

The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note : 1 : All the employees mentioned above are on the rolls of the Company

Note : 2 : None of the employees are relative of any Director or Manager

Note : 3 : It includes other incentives related to the FY 2018-19 which is paid during the current Financial Year

Top Ten Employees in terms of Remuneration drawn during the financial year 2019-20

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #
1	Balaji Viswanathan	Managing Director & CEO	15,935,530	B.sc, ICWAI (Inter)	27	26/Jul/2018	47	Sr. Director - Global Banking & Insurance Delivery - Concentrix Daksh Service India Pvt Ltd	-
2	Judson Daniel JM	QA Manager	11,256,849	B.Com, MCA	17	20/Feb/2003	41	First Employment in Thinksoft	-
3	Phani Tangirala	Senior Director - BFSI	10,004,294	B A	29	23/Sep/2010	49	Project Director, SSP India Private Limited	0.17
4	Desikan Narayanan	Chief Financial Officer	6,571,788	B.Com, ACA, ICWAI (Inter)	21	17/Feb/2016	48	Director Finance - Barry-Wehmiller International Pvt Ltd	-
5	Hari Hara Sudhan C	Technical Lead	6,324,355	B.E., MBA	11	19-May-10	31	Hensel, Trainee Engineer	-
6	Srinath P	Director - Enterprise Risk Management	6,138,967	B.Com., AICWA	27	2/Jun/2000	46	SAP Consultant, Maars Software International Limited	0.18
7	Rajasundaram S	Director - Quality Engineering	5,968,002	B.Sc, Msc	24	15/Dec/2014	46	Vice President - Scope International	-
8	Christin Prabu S	QA Lead	5,888,683	M.sc.,	13	31/Jan/2011	36	Senior Quality Analyst - TCS e-Serve Ltd.,	-
9	Balaji M	Senior QA Analyst	5,849,784	BTech	8	29/Jul/2013	34	Test engineer - STC Technology	-
10	Nisha Nagwani	Senior QA Analyst	5,783,936	BE, MBA	7	7/Sep/2012	29	First Employment in Thinksoft	-

The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note : 1 : All the employees mentioned above are on the rolls of the Company

Note : 2 : None of the employees are relative of any Director or Manager

Note : 3 : It includes other incentives related to the FY 2018-19 which is paid during the current Financial Year

II Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight lakhs Fifty thousand only per month

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #
NIL									

The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of Sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

III Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company

Sl. No.	Name	Designation	Remuneration in INR.	Qualification	Experience (No. of years) (Overall experience including Expleo)	Date of commencement of employment	Age (Yrs)	Last employment held by such employee before joining the company (with Designation)	Percentage of Equity Shares held #
NIL									

The percentage of equity shares held by the employee in the company within the meaning of clause(iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**For and on behalf of Board of Directors of
Expleo Solutions Limited
(formerly Known as SQS India BFSI Limited)**

Place: Chennai

Date : May 28, 2020

Balaji Viswanathan

Managing Director & CEO

Prof. K. Kumar

Deputy Chairman &
Independent Director

Annexure - V B

Details as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1 The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Sl.No.	Name of the Director	Ratio of the remuneration of director to the median employee remuneration
1	Mr. Balaji Viswanathan	23.30 : 1 (1 denotes Median Salary)
2	Prof. K.Kumar	2.00 : 1 (1 denotes Median Salary)
3	Ms. Lilian Jessie Paul	1.66 : 1 (1 denotes Median Salary)
4	Prof. S. Rajagopalan	1.89 : 1 (1 denotes Median Salary)
5	Mr. Rajiv Kuchhal	1.80 : 1 (1 denotes Median Salary)
6	Mr. Ulrich Baümer	1.37 : 1 (1 denotes Median Salary)

The working is based on payment/provision made in the books during the year.

2 Percentage increase in remuneration

Sl.No.	Name	Designation	Percentage increase/ decrease in remuneration
1	Prof. K.Kumar	Director	1% increase compared to previous year*
2	Mr. Balaji Viswanathan	Managing Director & CEO	5% increase compared to previous year#
3	Ms. Lilian Jessie Paul	Director	3% decrease compared to previous year*
4	Prof. S. Rajagopalan	Director	6% decrease compared to previous year*
5	Mr. Rajiv Kuchhal	Director	1% increase compared to previous year*
6	Mr. Ulrich Baümer	Director	5% decrease compared to previous year*
7	Mr. Desikan Narayanan	Chief Financial Officer	4% increase compared to previous year#
8	Mr. S. Sampath Kumar	Company Secretary & Compliance Officer	9% increase compared to previous year#

* The working is based on provisions made in the books during the current year and the payment will be made during the FY 2020-21.

The Increase % considered during incremental cycle by the Board of Directors.

3 Percentage increase in the median remuneration of employees

The percentage of increase in the Median employee remuneration is 9.12% as compared to the previous year.

4 Permanent Employees

The Number of Permanent Employees on the rolls of the Company as on March 31, 2020 is 990 employees.

5 Other details:

S.No.	Particulars	Remarks
a	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year	During the FY 2018-19, the overall salary increased for the employees by around 8% (which excludes Managerial Remuneration).
b	Percentile increase in managerial remuneration	Compared to last financial year the Managerial remuneration increase by 5%.
c	The comparison with the percentile increase in the employee remuneration with managerial remuneration and justification thereof	Employee remuneration (Excluding Managerial Remuneration) increased during FY 2019-20 by 8% which was based on the appraisals and evaluations.
d	Any exceptional circumstances for increase in the managerial remuneration	N.A.

6 We hereby affirm that the remuneration paid to the Directors and Employees are as per the remuneration policy of the Company.

**For and on behalf of Board of Directors of
Expleo Solutions Limited
(formerly Known as SQS India BFSI Limited)**

Place: Chennai
Date : May 28, 2020

Balaji Viswanathan
Managing Director & CEO

Prof. K. Kumar
Deputy Chairman &
Independent Director

Annexure - VI

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2019-2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members

EXPLEO SOLUTIONS LIMITED

(formerly known as SQS India BFSI Limited)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EXPLEO SOLUTIONS LIMITED** (Formerly known as SQS India BFSI Limited) hereinafter called the ("**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the **EXPLEO SOLUTIONS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2020 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "**the Company**" for the Financial Year ended March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with the Company;
 - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

We report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis, the Company has complied with the following Labour and Industrial Laws specifically applicable to the Company, as listed below, as amended from time to time;

1. The Special Economic Zone Act, 2005 and rules made thereunder
2. The Contract Labour (Regulation and Abolition) Act, 1970
3. The Employees' Compensation Act, 1923
4. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
5. The Employees' State Insurance Act, 1948
6. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
7. The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
8. The Industrial Disputes Act, 1949
9. The Maternity Benefit Act, 1961
10. The Minimum Wages Act, 1948
11. The Payment of Bonus Act, 1965
12. The Payment of Gratuity Act, 1972
13. The Payment of Wages Act, 1936
14. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
15. The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
16. The Tamil Nadu Labour Welfare Fund Act, 1972
17. The Tamil Nadu Payment of Subsistence Allowance Act, 1981
18. The Tamil Nadu Shops and Establishments Act, 1947
19. The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992
20. The Maharashtra Shops and Establishments (Regulation Of Employment And Conditions Of Service) Act, 2017

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We also report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For M. Alagar & Associates

M. Alagar

Managing Partner

Practicing Company Secretary

FCS No.: 7488

CoP No.: 8196

UDIN: F007488B000253635

Place : Chennai

Date : May 19, 2020

Management Discussion and Analysis 2019-20



Financial Highlights

COVID-19 is an event no one had imagined or planned for. The primary focus during this challenging period was to ensure employee safety and business continuity simultaneously. We reacted with alacrity and had over 95% of our team working from home, well before India went into total lockdown. Within the first five days of the lockdown, almost our entire workforce was able to operate from home, successfully. Tremendous resilience shown by every individual in the organisation and incredible support from our clients was key in making this possible. We would like to thank our clients and our people for their support and understanding.

The current pandemic has resulted in a slow down with few existing projects and some delay in the launch of new projects. However, we are keeping a close watch on the market to understand our clients' priorities. We are confident of a swift return to normalcy and subsequent growth over the next 6 to 12 months. We continue to invest in skills and technologies that will help us stay abreast with industry trends and complement our efforts to prepare for the future.

Our Total Income during the Financial Year 2019-20 went down by 3.7% compared to previous year - from INR 2,888 million to INR 2,780 million. However, our EBITDA and Profits After Tax (PAT) improved due to effective cost management, favourable forex, and lower tax rates. Our EBITDA improved by 3.2% from INR 591 million (20.5%) to INR 610 million (21.9%) and our PAT improved by 10.2% from INR 362 million (12.5%) to INR 399 million (14.4%). There

has been an overall improvement across operating costs as well as General & Administrative (G&A) expenses. DSO as of 31st March, 2020 was at 85 days compared to 56 days as of 31st March, 2019.

Our focus on Digital Capabilities, specialised and new age Testing Services (Mobile, IoT, Data Management, Quality Engineering), Automation, and DevOps makes us essential to our clients' Digital ambitions. Continued traction in these services is yielding double-digit growth and positioning us as a valuable technology partner. We have built capabilities in software configuration, assurance, and development through our focused upskilling programs covering more than 50% of our employees. This initiative has helped us build a strong techno-functional team. We are also expanding our business and technology partnerships with the latest digital tools and platform providers to deliver integrated solutions to our clients.

While there have been challenges in some of the traditional offshore markets, our focus and attention on profitable and strategic growth in the Asian Market have started showing positive results. Both our deal size and the type of work are undergoing a positive change. The capability that we are building in these markets closer to India, will help us in the future to grow in the traditional offshoring markets as well. In line with this strategy, contribution from the Asia Market improved significantly from 27.5% to 35.4%. Our traditional offshoring markets of UK and Europe faced some

headwinds, and the contribution declined from 68% to 62%. The contribution from our top 10 customers reduced to 57% (from 62%) due to growth with other clients.

Though UK and Western Europe will continue to be our focus markets, we will invest in building profitable growth in Asia, which has shown significant potential. The US, which is the largest market, continues to be a challenge requiring significant investment and long waiting period.

Financial Ratios

The details of significant changes (i.e. change of 25% or more as compared to the immediate previous financial year) in key financial ratios, along with detailed explanations therefore:

S. No.	Ratio description	March 31, 2020	March 31, 2019	Change %	Explanation
1	Debtors Turnover (in days)	85	56	51.78	Due to COVID lock down in March, we received bulk of the payment in April, 2020.

Global Outlook & Industry Trends

Global Economy

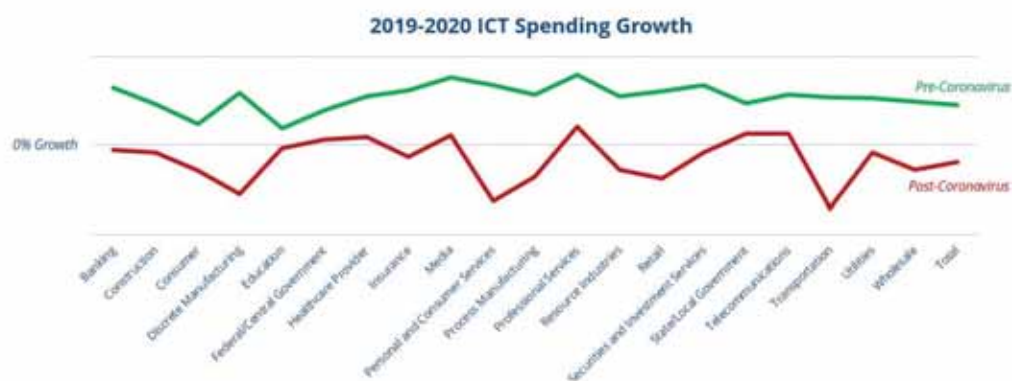
In general, global economic activities remained soft in 2019. Survey indicators had started to stabilize or strengthen, both in manufacturing and services sectors. Financial conditions had also strengthened following moves to increase accommodation in monetary policy and to reduce tensions in trade policy. However, the unforeseen global crisis from COVID-19 in 2020 changed the game. The impact of this pandemic is expected to dwarf the previous economic downturns.



Globally, the COVID-19 pandemic is wreaking havoc and increasing human cost. The necessary protection measures, such as lockdowns and isolation to slow down the spread of the virus, are severely impacting economic activity. According to the IMF World Economic Outlook of April 2020, the pandemic impact is expected to contract the global economy sharply. We may see a decline of 3% in 2020 alone, which is far worse than the 2008–09 global financial crisis. Assuming that the pandemic fades in the second half of 2020, policy actions taken across countries are effective in containing the spread, and the economic activities normalize, the global economic growth could rebound to 5.8% in 2021.

Global IT Industry

The global IT industry is on pace to reach \$5.2 trillion in 2020, according to the research consultancy firm International Data Corporation (IDC). Economies, jobs, and personal lives are becoming more digital, more connected, and more automated. The U.S. continues to be the largest tech market in the world, representing 32% of the total market, or approximately \$1.7 trillion for 2020.

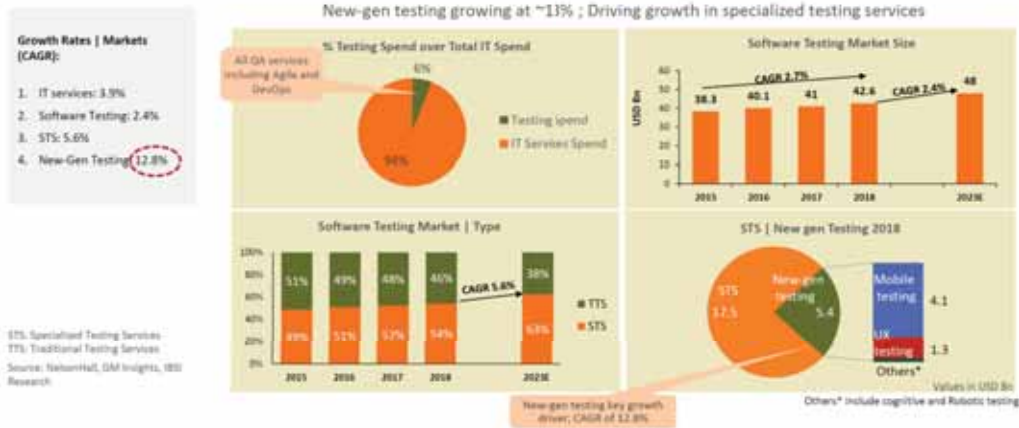


Source: IDC Forecast April 2020

In April 2020, IDC reported that worldwide IT spending is most likely to drop by 2.7% in 2020 due to deteriorating economic conditions caused by COVID-19. Before the pandemic, IT spending was predicted to grow in the range of 4.3% to 5.1% in 2020. Although every industry is affected by the global slowdown, some of them are likely to slash their IT spending to pause and gauge this peculiar situation. The Aviation, Hospitality, and Tourism industries could be the worst affected and likely to see a decline of more than 5%. Banking and Financial Services are relatively less impacted and expect to see a short term impact of 1-2% decline in their global IT spends. Software spending is predicted to grow by 1.7%, down from the previous forecast of 10%, as businesses will continue to invest in automation, cloud-based resources and applications to ensure seamless business operations. IT services are projected to decline by 2% as markets pause on new development and integration projects. Managed services could drop commensurate with declines in device and hardware spending. While the 2020 IT spending projection is bleak, IDC estimates that IT spending will rise by 4.9% in 2021 as regional and global economies prepare to come back to life.

The Banking, Financial Services, and Insurance (BFSI) segment is projected to dominate the market as the implementation of software quality assurance helps detect and remedy susceptibility providing a long-term solution to financial companies. According to NelsonHall, GM Insights, and IBSI Research reports, the software testing market has the potential to touch \$48 billion by 2023, a CAGR of 2.4% from 2018 through 2023.

The rise of Agile and DevOps application development methodologies, test automation to minimise operational costs and enhance quality assurance, and Application Programming Interface (API) monitoring in the digital economy are the key factors driving digital confidence. Considering the global best practices, it is evident that Next-Gen testing (Mobile, Security, UI/UX, testing of RPA, RPA in testing and AI in testing), non-functional, and other specialized testing services will be the growth hackers for businesses.



Over last few years, we have seen a drop in the number of new large-scale managed testing service contracts. This is a result of a widescale adoption of Agile and DevOps by clients, shifting their spending towards continuous testing and reskilling of their testing workforce. New-gen testing continues to remain key growth driver growing at a CAGR of 12.8% (2018 – 2023) mainly due to the steady increase in year over year (Y-o-Y) growth. While over 40% of this growth is estimated to originate from North America, there is significant potential to achieve better market share in the existing markets (Europe and APAC) that we majorly operate in. Increasing demand for software development and applications will significantly contribute to the growth of Quality Assurance (QA) services market.

Functional testing, being a significant component of the QA services, accounts for a considerable share of QA investment for application testing. The ongoing trend in functional testing is about maximising automated testing and focusing on faster time to market. To complement this trend, businesses will need to utilise techno-functional experts. Ongoing disruptive digital transformations and associated threats make Mobile and IoT testing a major QA area to focus on. In addition, mobile application security, performance requirements, UI/UX, accessibility, and compatibility testing are areas of prime importance. These tests are also automation intensive.

Expleo’s transition to a techno-functional workforce, coupled with proven offshore delivery capabilities, provides a reliable platform for delivering technically optimal and cost-effective business

solutions to customers in an agile manner. Our end-to-end service offerings deliver perfect service predictability that the industry seeks during these turbulent times.

Some of the key trends that are driving the BFSI space as far as Software Testing and Quality Assurance concerned include:

Increasing Adoption of Agile & DevOps

The global economic churning brought about by the pandemic has accentuated the need for companies worldwide to re-look at their operations. This means optimizing operations and utilizing digital means to achieve faster time to market at a lower cost, with minimal effort and maximum speed. This is expected to substantially accelerate the already rapid adoption of Agile and DevOps in all sectors. The ‘new normal’ with a distributed workforce would require Business Agility to become ingrained in an organization’s DNA for sustained growth. With the increasing maturity of DevOps tools, infrastructure management and continuous delivery are expected to grow integral to IT operations. Expleo has made substantial investments in the skills required for Agile and DevOps services and is well placed to service this portfolio, which is expected to grow further with increased market demand.

Automation of Quality Assurance

Test Automation is increasingly becoming a part of our client engagements and proposals. The requirement for continuous testing and automation is expected to significantly increase in light of the impact of Covid-19 on business operations. Progressive automation to achieve benefits earlier and to reduce the corresponding manual efforts is a significant aspect of our solution. The adoption of organization-wide methodology and process to reach an optimal level of automation effectiveness, efficiency, and coverage validates Expleo's alignment with industry trends and best practices.

Expleo is actively presenting its capabilities to diverse prospects across the ME and US regions as well. Our partnership with Blue Prism continues and is progressing towards the next level. We have also taken up a new project in the APAC region using the UiPath tool, and we are in continuous discussions to partner with the AssistEdge RPA tool. Expleo has won projects ranging from Enterprise RPA implementation, Test Automation using RPA tools, to automating complex use cases.

Machine Learning and AI in testing

With the world increasingly embracing digital solutions, AI and Machine Learning take the driving seat in most businesses to reduce human errors, maintain consistency, and increase stability and performance. At Expleo, we are poised to seize this new opportunity by introducing an AI/ML flavour in all our testing accelerators. As part of this, we are working on an Intelligent Data Generation and Self-service Data Provisioning solution and also Intelligent API test automation. Both these AI/ML initiatives rely on machine learning algorithms, collecting and organizing data and creating models, extracting the right features from the data through the models, and training the models in predicting, classifying, and taking decisions using the algorithms.

Big Data Testing

Big Data plays a vital role across industry sectors, including banking, insurance, treasury, capital markets, technology, healthcare, and many more. Big Data is expected to grow exponentially as many industries are shifting towards a data-oriented world, and due to this, the need for testing big data applications is expected to see a new rise in 2020. Expleo service offerings for Big Data testing includes Source Data validation, Data storage validation, Map Reduce Process validation, Processed Data validation, ETL Process validation, Reports / Analytics Testing, and a range of non-functional testing services.

Security Testing

Security has gained strategic significance with the new regulatory mandates on data and privacy controls.

Mobile/IOT testing

Majority of our clients and prospects have mobile applications as their crucial customer service channel offerings. Expleo as a Managed Mobile/IoT testing service provider realizes that client needs, emerging technology, and a strong mobile testing strategy are a substantial source of business opportunity. We provide a cost-effective integrated solution to ensure that the clients' desired user experience and planned business values are delivered.

Robotic Process Automation (RPA)

Expleo has been showcasing its RPA capabilities to its existing customers and has been successful in securing projects across APAC, India, and Group regions.



The risk has also unfolded from the transitioning of legacy application and services to cloud-based or managed services.

Expleo Cyber Security testing capabilities have matured over the years with 90% utilization of resources across various clients in India, APAC, Europe, and the MENA region. The Expleo Group has formed the Cybersecurity Virtual Excellence Centre (VEC), that combines the efforts of all security teams within the group, to address clients' cyber requirements across the global. At Expleo, 90% of our resources are certified security professionals.

Opportunities and Risks:

The COVID-19 pandemic has had a significant impact on global economies. The effect of this is expected to last well over 2020 and will influence business models in the new normal. Given the drastic fall in GDP and industrial output in all major economies, many companies will face cash flow problems which will, in turn, influence their decision making. With many aspects of economic activity, life seems to have changed permanently. Optimizing resources and reducing costs will be the notable drivers for strategic and tactical business decisions. At Expleo, we have risen to the challenge of providing uninterrupted services to our clients by rapidly enabling remote working for our entire workforce. The seamless transition was an excellent demonstration that the Business Agility we provide to clients has also been internalized at Expleo. Our clients are appreciative of our proactive approach to support them during these trying times.

The pandemic has ushered in a new normal, which has highlighted the dire need for digitization to support businesses deliver seamless service to their clients. We notice companies implementing and standardizing digital channels for decreasing dependence on manual channels for sales and service. Companies will also focus on process optimization and automation to minimize costs. The surge in online activity has also led to the performance of client-facing systems coming under severe stress. Existing performance baselines need to be revised, and appropriate technical upgrades are necessary to meet the new demand.

As expected, there has been a corresponding increase in attempts to breach security and compromise online systems. All these areas are too critical to be ignored or de-prioritized.

Expleo has the required credentials and expertise to assist companies in an efficient and time-bound manner for the areas outlined above. Our core expertise in Quality Assurance and Engineering, coupled with the new capabilities in Development services, makes us an ideal partner for implementing digital channels. With our existing RPA services transforming to intelligent process automation (IPA), process optimization and automation are areas in which clients can expect end-to-end support from us. With a strong track record in performance testing and engineering, Expleo can guide its clients in ensuring that systems are capable of handling loads from a long-term perspective. Expleo's fast-growing security practice acts as a force multiplier for clients looking to proactively combat continuous online attacks.



Internal Controls Systems and Their Adequacy:

The CEO and CFO of the Company have provided a certificate, which forms a part of this annual report, which confirms the adequacy of the internal control systems and procedures.

Report on Corporate Governance

1. Company's Philosophy on Code of Corporate Governance:

Expleo Solutions Limited (formerly known as SQS India BFSI Limited) ("the Company") is committed to maintaining high standards of Corporate Governance, protecting Customers', Shareholders' and other Stakeholders' interests. In line with this philosophy, the Company endeavours to maintain transparency at all levels through adoption of best Corporate Governance Practices. The following is a report on the status and progress on major aspects of Corporate Governance.

2. Board of Directors:

The Directors of the Company possess highest professional ethics, integrity and values and are committed to representing the long-term interests of the stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgment on behalf of the Company.

I. Composition:

The Board has an optimum combination of Executive, Non-Executive and Independent Directors, which ensures proper governance and management.

As on March 31, 2020, the Board of Directors ("Board") comprises of eight members out of which one is Executive Director, two are Non-Executive Directors and five are Non-Executive - Independent Directors.

Ms. Lilian Jessie Paul (DIN - 02864506) was re-appointed as Independent Director with effect from October 30, 2019 for a further period of 5 years.

Mr. René Gawron (DIN - 06744645) has submitted his resignation as Chairman & Director of the Company with effect from October 15, 2019 due to personal reasons.

Mr. Martin Hodgson (DIN - 08720176) has been appointed as Additional Director (Non-Executive) of the Company with effect from April 09, 2020 by the Board of Directors and he shall hold office up to the date of the ensuing Annual General Meeting.

The optimum combination of Executive, Non-executive and Independent Directors ensure independence of the Board and separation of Board function from governance and management.

The Board of Directors is of the opinion that the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management.

As mandated under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, neither of the Directors are a member of more than ten Board Level Committees nor any of them are Chairman of more than five Board Level Committees, across all Listed entities in which they are Directors.

II. Board Meetings:

4 (Four) Board Meetings were held during the year and the gap between any two meetings did not exceed 120 days. The dates on which the said meetings were held are as follows: May 6, 2019, July 31, 2019, October 31, 2019 and January 30, 2020.

Attendance of each Director at the Board Meetings and last AGM and the number of companies and Committees where he/ she is a Director/ Member are as under:

Name of the Director	Category of Director	Number of Board Meetings during the year 2019-20			Whether attended last AGM held on July 31, 2019	Directorships in other Public Companies	Number of Committee positions held in other Public Companies
		Held	Held after appointment / before resignation	Attended			
Prof. K. Kumar	Independent & Non-Executive Director	4	4	4	Yes	-	-
Mr. Olivier Aldrin	Non-Executive Director	4	4	3	Yes	-	-
Mr. Balaji Viswanathan	Managing Director & CEO	4	4	4	Yes	-	-
Ms. Lilian Jessie Paul	Independent & Non-Executive Director	4	4	3	Yes	2	2
Prof. S. Rajagopalan	Independent & Non-Executive Director	4	4	3	Yes	-	-
Mr. Rajiv Kuchhal	Independent & Non-Executive Director	4	4	4	Yes	-	-
Mr. Ulrich Bäumer	Independent & Non-Executive Director	4	4	2	Yes	-	-
Mr. Ralph Gillessen	Non-Executive Director	4	4	3	Yes	-	-
Mr. René Gawron*	Chairman & Non-Executive Director	4	2	1	No	-	-

* Resigned with effect from October 15, 2019.

Notes:

- a. None of the Directors, holds directorships in any other Indian Public Limited Companies and hold Membership/Chairmanship of any Committee(s) in other Indian Public Limited Companies (listed and unlisted), apart from the details given above.
- b. For the purpose of Membership in Committees, the Membership in Audit Committee and Stakeholders Relationship Committee are only considered as per Regulation 26(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. None of the Non-Executive Directors, apart from receiving director's sitting fees/commission, have any material pecuniary relationship or transactions with the Company.
- d. None of the Directors are related inter-se.
- e. During the year, information as mentioned under Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has been placed before the Board for its consideration.

Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Sl. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1	Ms. Lilian Jessie Paul DIN : 02864506	i) Royal Orchid Hotels Limited	Independent & Non-Executive Director
		ii) Bajaj Consumer Care Limited	Independent & Non-Executive Director

None of the Directors hold directorships in any other listed entities apart from the details given above.

Skills / Expertise / Competencies of the Board of Directors :

The following are the core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and the said skills are available with the Board Members as identified below:

Name of Directors	Skills / Expertise / Competencies
Prof. K. Kumar	i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
Mr. Olivier Aldrin	
Mr. Balaji Viswanathan	ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
Ms. Lilian Jessie Paul*	
Mr. Martin Hodgson	iii) Business Strategy, Corporate Governance, Forex Management, Administration, Decision Making
Prof. S. Rajagopalan	
Mr. Rajiv Kuchhal	iv) Sales & Marketing - Developing strategies to grow sales and market share, build brand awareness and equity, and enhance Company's reputation
Mr. Ulrich Bäumer	
Mr. Ralph Gillessen	v) Financial and Management skills
	vi) Technical / Professional skills and specialized knowledge in relation to Company's business

* Except Forex Management.

Post meeting follow-up mechanism:

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for taking note.

III. Number of Shares held by Non-Executive Directors:

Number of shares held by Non-Executive Directors as on March 31, 2020 are:

Sl. No.	Name	Shares
1	Prof. K. Kumar	11,000
2	Prof. S. Rajagopalan	1,000
3	Mr. Rajiv Kuchhal	58,855
	TOTAL	70,855

No other Non-Executive Directors hold any shares in the Company.

IV. Familiarization Programmes:

The details of familiarization programmes provided to Independent Directors is uploaded in the Company's website.

The web link for the same is <https://expleogroup.com/wp-content/uploads/2020/05/Details-Familiarisation-Programmes-for-Independent-Directors.pdf>

3. Audit Committee:

I. The terms of reference of the Audit Committee are broadly as under:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 ("the Act");
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions;
 - vii) Modified opinion(s) in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;

- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower Mechanism;
- s) Approval of appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

II. Composition, name of the Members and Chairman and attendance during the year:

The Audit Committee of the Company is constituted in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Section 177 of the Companies Act, 2013. Accordingly, the Audit Committee consists of three Independent Directors. The Chairman of the Audit Committee is an Independent Director.

By virtue of the resignation of Mr. René Gawron, as Chairman & Director of the Company with effect from October 15, 2019, he ceased to be a Member of the Audit Committee with effect from the said date.

The Statutory Auditors and Internal Auditors are invited to attend the Audit Committee meetings as and when necessary and the Company Secretary acts as the Secretary of the Committee.

During the Financial Year, Mr. A. Murali, Chartered Accountant, Proprietor of M/s. A. Murali & Associates, resigned as Internal Auditor of the Company with effect from October 18, 2019 due to personal reasons. Consequent to aforesaid resignation, M/s. V. Chandrasekaran and Associates, Chartered Accountants, was appointed as Internal Auditor of the Company with effect from Quarter 3 of Financial Year – 2019-20.

The minutes of the meetings of the Audit Committee are circulated to all the members of the Board along with the Board Agenda.

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: May 6, 2019, July 30 & 31, 2019, October 30 & 31, 2019 and January 29 & 30, 2020.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Director	Status	Number of meetings during the year 2019-20		
		Held	Held after Appointment / before resignation	Attended
Prof. K. Kumar	Chairman	4	4	4
Prof. S. Rajagopalan	Member	4	4	3
Mr. Rajiv Kuchhal	Member	4	4	4
Mr. René Gawron *	Member	4	2	1

* Ceased to be a member with effect from October 15, 2019.

Prof. K. Kumar, Chairman of the Audit Committee attended the previous Annual General Meeting of the Company held on July 31, 2019.

During the year, all the recommendations of the Audit Committee were accepted by the Board.

4. Nomination and Remuneration Committee:

Nomination and Remuneration Committee was constituted to discharge the Board's responsibilities related to performance evaluation, formulating policy for selection and appointment of directors and Key Managerial Personnel ("KMP"), appointment and compensation of the Company's Executive Directors / KMP. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programs for Executive Director. The Committee is entailed to formulate various policies as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. Brief description of terms of reference:

The terms of reference of the Nomination and Remuneration Committee are broadly as under:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- e) Whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
- f) Recommend to the board, all remuneration, in whatever form, payable to senior management;
- g) To review the Company's remuneration policy on specific remuneration packages to Executive Directors including pension rights and any compensation payment while striking a balance with the interest of the Company and the shareholders;
- h) To approve the Annual Remuneration Plan of the Company;
- i) To formulate the Employees Stock Option Scheme in accordance with the relevant regulations/guidelines for the time being in force, recommend the same to the Board for its consideration and administration of ESOP Scheme as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014.

II. Composition, name of the Members and Chairman and attendance during the year:

The Committee consists of three Independent Directors.

The quorum for a meeting of the nomination and remuneration committee shall be either two or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

The nomination and remuneration committee shall meet at least once in a year.

Four Nomination and Remuneration Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: May 6, 2019, July 30 & 31, 2019, October 30 & 31, 2019 and January 29 & 30, 2020.

The name of Chairman and Members of the Committee along with the meeting attendance is given in the below table:

Name of the Director	Status	Number of meetings during the year 2019-20		
		Held	Held after Appointment / before resignation	Attended
Prof. K. Kumar	Chairman	4	4	4
Prof. S. Rajagopalan	Member	4	4	3
Mr. Rajiv Kuchhal	Member	4	4	4
Mr. René Gawron *	Member	4	2	1

*Ceased to be a member with effect from October 15, 2019.

III. Performance Evaluation Criteria for Independent Directors:

The Performance Evaluation Criteria for Independent Directors is provided under the heading Board evaluation in the Directors' Report.

5. Remuneration of Directors:

I. Remuneration policy:

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has formulated a policy, relating to the remuneration of the directors, Key Managerial Personnel and other employees.

The remuneration policy framed by the Nomination and Remuneration Committee warrants the Committee to decide the remuneration and other areas which falls under the terms of reference of the Committee.

The Policy also sets out the following in details:

- Qualifications for appointment of Directors (including Independent Directors)
- Positive attributes of Directors (including Independent Directors)
- Criteria for appointment of KMP/Senior Management
- Policy relating to remuneration of Whole-time Directors
- Policy relating to remuneration of Non-Executive / Independent Directors
- Policy relating to remuneration of Key Managerial Personnel and Senior Management Personnel.

II. Details of Remuneration for the year ended March 31, 2020:

The disclosure on the remuneration of directors as required under Schedule V (C) (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, are as follows:

a. Remuneration of Non-Executive Directors:

Name of the Director	Commission (Rs. In Mn.)	Sitting Fees (Rs. In Mn.)	Total (Rs. In Mn.)
Prof. K. Kumar	0.90	0.50	1.40
Ms. Lilian Jessie Paul	0.90	0.26	1.16
Prof. S. Rajagopalan	0.90	0.42	1.32

Name of the Director	Commission (Rs. In Mn.)	Sitting Fees (Rs. In Mn.)	Total (Rs. In Mn.)
Mr. Rajiv Kuchhal	0.90	0.36	1.26
Mr. Ulrich Bäumer	0.90	0.06	0.96
Mr. Olivier Aldrin	Nil	Nil	Nil
Mr. Ralph Gillissen	Nil	Nil	Nil
Mr. René Gawron *	Nil	Nil	Nil

* Resigned with effect from October 15, 2019.

b. Criteria of making payments to Non-Executive Directors:

The criteria of making payments to Non-Executive Directors is provided under Item No. 28 of the Directors' Report.

c. Shares and Stock option details:

Details of Shares and Stock option held by Non-Executive Directors as on March 31, 2020 are as under:

Sl.No	Name	Shares Held	Stock Option
1	Prof. K. Kumar	11,000	Nil
2	Prof. S. Rajagopalan	1,000	Nil
3	Mr. Rajiv Kuchhal	58,855	Nil
	TOTAL	70,855	Nil

The options were issued with a graded vesting over a period of 3 years and exercisable over a period of 5 years from the date of vesting and the same were exercised by the Independent Directors

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the judgment of the Board may affect the independence of the director, except receiving sitting fee for attending meetings and commission.

d. Remuneration of Executive Director:

Compensation to Mr. Balaji Viswanathan, Managing Director & CEO is paid as per the Service Agreement entered with him subject to the limits specified as per the provisions of the Companies Act, 2013.

Sl. No.	Particulars of Remuneration	Amount in Mn.
		Mr. Balaji Viswanathan, MD & CEO FY - 2019-20
1	Gross Salary	12.92
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
5	Others (Incentives)	3.39
	Total	16.31

* Includes provision made in the books for which payment will be made during financial year 2020-21.

Out of total remuneration of Rs. 16.31 Mn. an amount of Rs. 4.25 Mn. is the Performance based incentive for the financial year 2019-20, which were based on the achievement of a set of parameters as framed by the Nomination and Remuneration Committee and decided by the Board of Directors of the Company from time to time. These parameters consist of both quantitative as well as qualitative achievements.

The agreement with the Managing Director & CEO has been entered into for a period of 3 years, effective from the date of appointment. Further, either party to the agreement is entitled to terminate the Agreement by giving not less than six months' notice in writing to the other party or by prior approval of the Board of Directors. The Managing Director & CEO is entitled for severance pay subject to the provisions contained in Section 202 of the Companies Act, 2013.

6. Stakeholders' Relationship Committee:

- a) The Committee has been formed to look into and resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Four Stakeholders' Relationship Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: May 6, 2019, July 31, 2019, October 21, 2019 and January 29, 2020.

The Committee consists of three Independent Directors. The Chairman of the Committee is an Independent & Non-Executive Director.

The composition of the Stakeholders' Relationship Committee along with the meeting attendance is given in the below table:

Name of the Director	Status	Number of meetings during the year 2019-20	
		Held	Attended
Prof. S. Rajagopalan	Chairman	4	4
Prof. K. Kumar	Member	4	4
Ms. Lilian Jessie Paul	Member	4	4

Mr. S. Sampath Kumar, Company Secretary was designated as the Compliance Officer of the Company in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The status of investor complaints received during the year is as follows:

Number of Complaints received during the year*	9
Number of Complaints resolved during the year	9
Number of Complaints not solved to the satisfaction of Shareholders	NIL
Number of Complaints pending as on March 31, 2020	NIL

*Complaints were pertaining to non-receipt of Dividend Warrants and non-receipt of Annual Reports.

7. Corporate Social Responsibility Committee:

The Committee has been formed to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the activities referred above and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

Four Corporate Social Responsibility Committee Meetings were held during the year. The meetings were held on April 15, 2019, July 9, 2019, October 15, 2019 and January 7, 2020.

The Committee consists of three Independent Directors. The Chairman of the Committee is Independent & Non-Executive Director. The composition of the Corporate Social Responsibility Committee along with the meeting attendance is given in the below table:

Name of the Director	Status	Number of meetings during the year 2019-20	
		Held	Attended
Prof. S. Rajagopalan	Chairman	4	4
Prof. K. Kumar	Member	4	3
Ms. Lilian Jessie Paul	Member	4	4

8. Independent Directors' Meeting:

The meeting of Independent Directors of the Company was held on January 30, 2020. All the Independent Directors of the Company except Mr. Ulrich Bäumer have participated in the said meeting. In the meeting, the Independent Directors have,

- i. Reviewed the performance of non-independent directors and the Board as a whole;
- ii. Reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- iii. Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

9. General Body Meetings:

I. Location, date and time of the last three Annual General Meetings held:

Details	Date	Time	Venue
Annual General Meeting 2016-17	July 27, 2017	3.30 p.m.	The Residency Towers, The Town Hall, 115, Sir Thyagaraya Road, T. Nagar, Chennai - 600 017.
Annual General Meeting 2017-18	July 26, 2018	3.30 p.m.	The Residency Towers, The Town Hall, 115, Sir Thyagaraya Road, T. Nagar, Chennai - 600 017.
Annual General Meeting 2018-19	July 31, 2019	3.30 p.m.	The Residency Towers, The Town Hall, 115, Sir Thyagaraya Road, T. Nagar, Chennai - 600 017.

II. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year.

III. Postal Ballot:

No Resolutions were passed by way of Postal Ballot during the year.

IV. Special Resolutions in the last three Annual General Meetings:

19th Annual General Meeting for the year 2016-17 held on July 27, 2017 - NIL

20th Annual General Meeting for the year 2017-18 held on July 26, 2018

Special Resolution was passed towards adoption of amended Articles of Association.

21st Annual General Meeting for the year 2018-19 held on July 31, 2019

Re-appointment of Ms. Lilian Jessie Paul (DIN - 02864506) as an Independent Director (Non-Executive) of the Company.

10. Means of Communication to Shareholders:

Quarterly results and newspapers wherein results published:

During the year, quarterly, half yearly and annual Financial Results of the Company on the Standalone and Consolidated basis were submitted to the Stock Exchanges soon after they were approved by the Board of Directors.

The Financial Results are also published in 2 leading newspapers Financial Express (English) and Makkal Kural (Tamil). Results are displayed in the Company's Website <https://expleogroup.com/expleo-solutions/financial/>.

All material information about the Company is promptly disclosed through electronic platform to the Stock Exchanges where the Company's shares are listed.

All official news releases of relevance to the investors are also made available on the Company's website. The presentations made to the analysts are also placed on the website of the Company.

11. General Shareholder Information:

I. Annual General Meeting Date, Time and Venue:

22nd Annual General Meeting

Date and Time: August 27, 2020 at 3.30 pm

Venue: Through Video Conference

II. Financial calendar:

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

Tentative Financial Calendar for the year 2020-21:

First Quarter Results	On or before August 14, 2020
Half Yearly Results	On or before November 14, 2020
Third Quarter Results	On or before February 14, 2021
Fourth Quarter and Annual Results	On or before May 30, 2021

III. Date of book closure:

August 21, 2020 to August 27, 2020 (both days inclusive)

IV. Dividend payment date: NIL

V. Listing of Stock Exchanges and Stock Code:

1,02,52,485 equity shares of Rs.10/- each is listed at:

Name of the Stock Exchange	Stock Symbol
National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051	EXPLEOSOL
BSE Limited (BSE), PJ Towers, Dalal Street, Mumbai – 400 001	533121

The Company has paid the annual listing fees for the year 2019-20 to both the above Stock Exchanges.

VI. Market Price data:

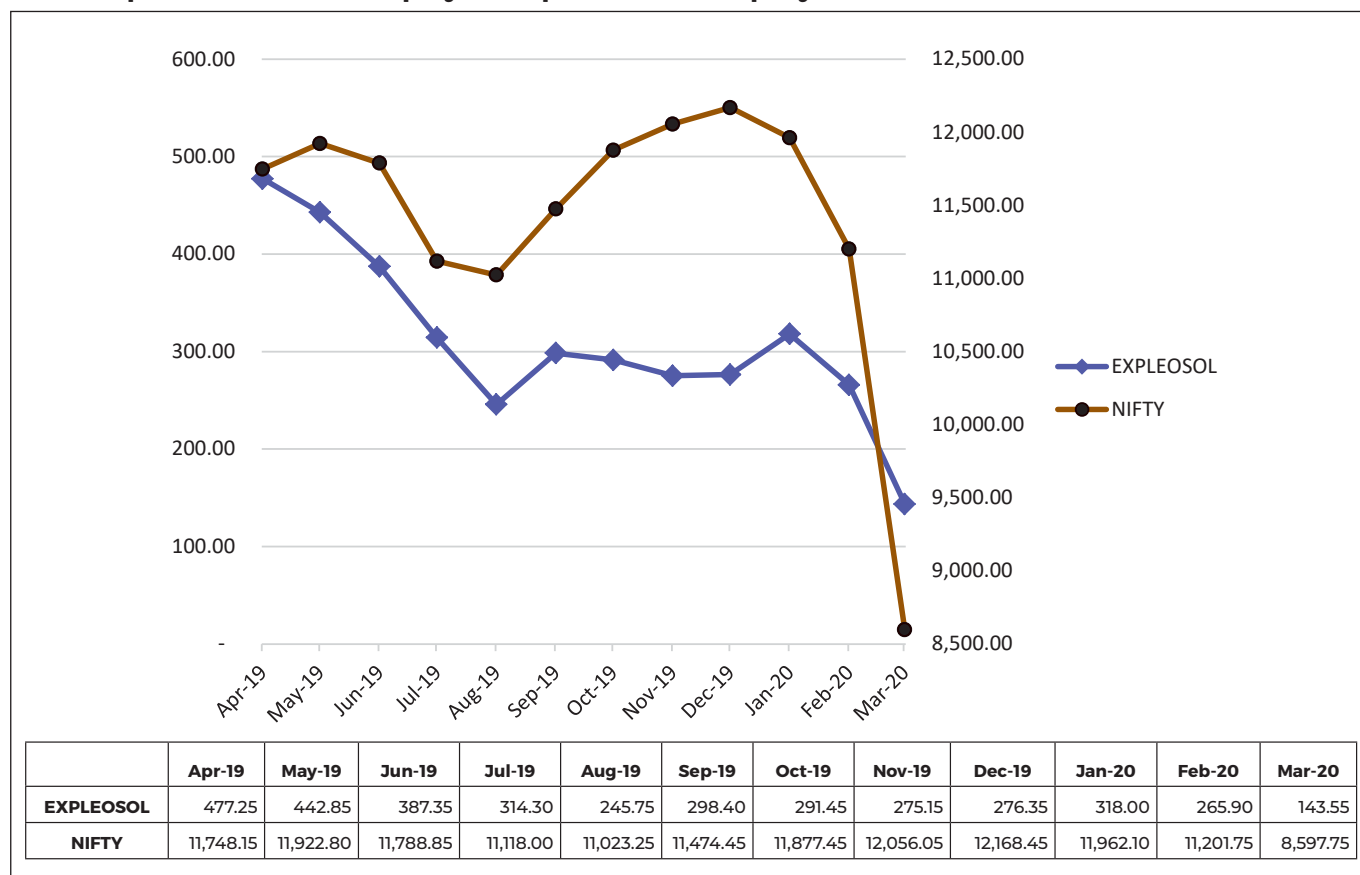
The closing market price of equity shares on March 31, 2020 (last trading day of the year) was Rs.143.55 on NSE and Rs.145.90 on BSE.

VII. Monthly share price movement during 2019-20 at NSE & BSE:

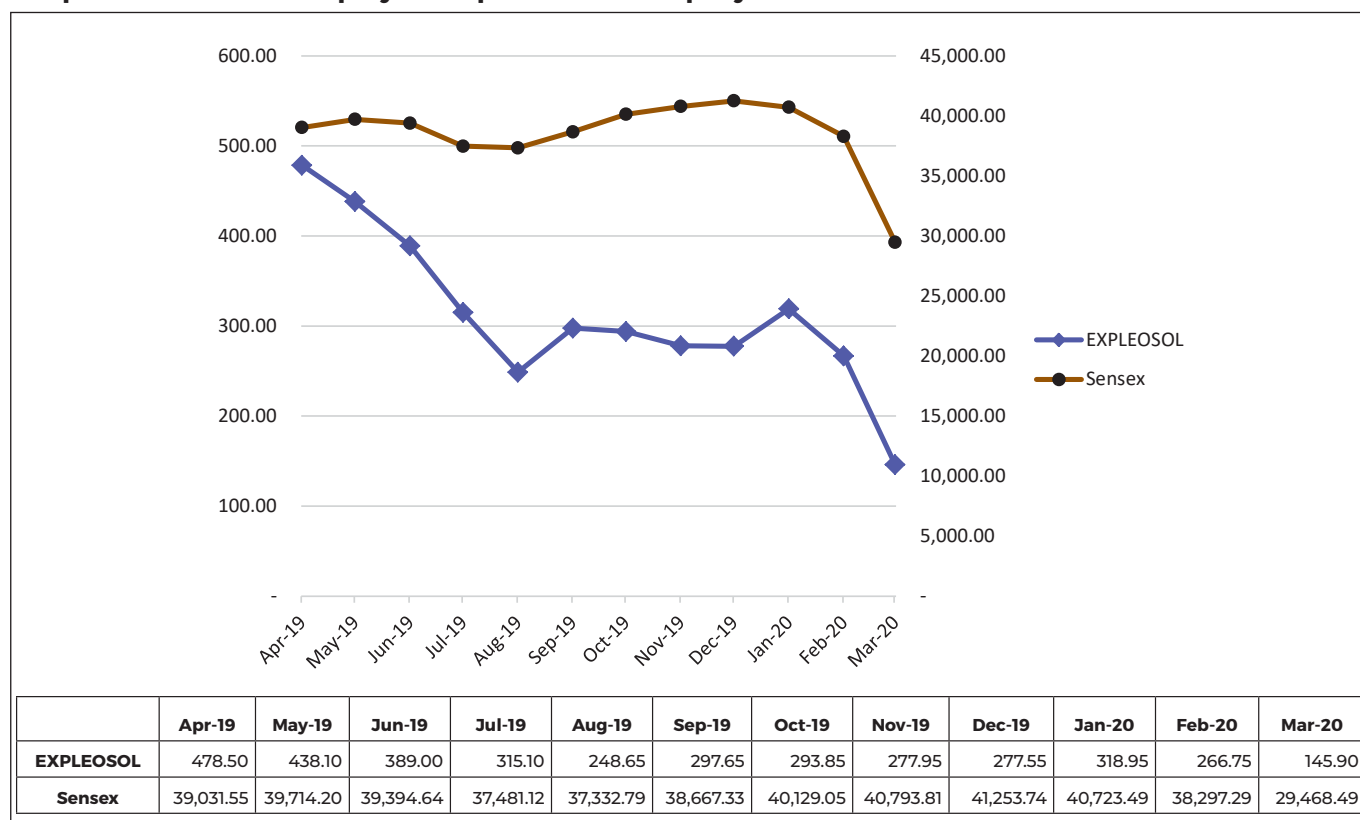
The monthly movement of equity share prices during the year at NSE and BSE are summarized herein below:

MONTH	NSE			BSE		
	HIGH (Rs.)	LOW (Rs.)	VOLUME	HIGH (Rs.)	LOW (Rs.)	VOLUME
April, 2019	523.00	471.00	1,32,000	519.65	470.00	58,144
May, 2019	484.50	401.00	83,643	481.00	392.00	12,199
June, 2019	483.00	380.00	1,26,465	481.20	382.00	21,579
July, 2019	400.00	301.55	1,20,666	399.30	300.00	12,989
August, 2019	315.30	230.00	1,90,850	307.00	232.85	50,274
September, 2019	353.00	234.00	1,12,856	354.00	233.80	25,047
October, 2019	303.00	271.00	57,845	305.30	266.00	14,395
November, 2019	300.80	270.00	86,338	300.35	268.50	10,514
December, 2019	289.95	265.60	55,306	287.95	271.00	10,685
January, 2020	331.90	276.50	1,72,013	331.00	275.00	21,560
February, 2020	329.70	261.00	1,54,656	324.00	263.35	70,536
March, 2020	282.40	112.60	2,96,029	278.15	112.40	60,823
TOTAL			15,88,667			3,68,745

VIII. The performance of the equity share price of the Company vis-à-vis the NIFTY at NSE is as under:



The performance of the equity share price of the Company vis-à-vis the SENSEX at BSE is as under:



IX. Registrar and Share Transfer Agents:

The Registrar & Share Transfer Agent deals with all shareholders communications regarding change of address, transfer of shares, change of mandate, demat of shares, non-receipt of dividend etc. The address of the Registrar & Share Transfer Agent is as under:-

Name and Address of Registrar and Share Transfer Agent	M/s. Cameo Corporate Services Limited Subramanian Building, No.1, Club House Road, Chennai 600 002
Tel	+91 044-2846 0390 / 044-4002 0700
E-mail ID	investor@cameoindia.com
Website	http://www.cameoindia.com/

X. Share transfer system:

The shares of the Company are compulsorily traded in dematerialized form. There was no request for physical transmission or transposition during the year.

XI. Distribution of shareholding as at March 31, 2020:

Category (Amount based on Rs.10/- nominal value per share)	No. of Shareholders	% of Shareholders	No. of shares held	Amount (Rs.)	% of Amount
01-5000	12,045	92.80	9,23,054	92,30,540	9.00
5001- 10000	432	3.33	3,24,619	32,46,190	3.17
10001- 20000	236	1.82	3,52,348	35,23,480	3.44
20001- 30000	91	0.70	2,24,316	22,43,160	2.19
30001- 40000	40	0.31	1,39,759	13,97,590	1.36
40001- 50000	29	0.22	1,29,401	12,94,010	1.26
50001- 100000	56	0.43	3,99,990	39,99,900	3.90
100001 & Above	51	0.39	77,58,998	7,75,89,980	75.68
Total	12,980	100.00	1,02,52,485	10,25,24,850	100.00

Shareholding Pattern as on March 31, 2020:

Sl.No	Category	Number of Shares	% of holding
1	Promoters	5,758,804	56.17
2	Clearing Members	11,735	0.11
3	Bodies Corporate	810,532	7.91
4	Non-Resident Indians	277,251	2.70
5	Public and Others	3,394,163	33.11
	Total	1,02,52,485	100

XII. Dematerialization of securities and liquidity:

As on March 31, 2020, 1,02,52,481 shares of the Company were held in dematerialized form and 4 shares were held in physical form. The demat security (ISIN) code for the equity share is INE201K01015.

The promoter and promoter group hold their entire shareholding only in dematerialised form.

XIII. Outstanding GDRs/ADRs/warrants/any other convertible instruments:

The Company has not issued instruments of the captioned type.

XIV. Foreign Exchange Risk and Hedging Activities:

The Company does not have any policy for hedging the exchange fluctuations. The Company does not hedge for any future payments / receipts in foreign currency. The Company maintains and operates Exchange Earner's Foreign Currency (EEFC) accounts through which foreign currency transactions / exposures are being handled. Exchange differences on account of conversion of foreign currency transactions are recognized as income / expense, as the case may be, in the financial statements.

XV. Locations:

The Company has three Delivery Centers at Chennai and Sales office cum Delivery Centre in Mumbai. The Company has branch offices in Belgium, Malaysia and Philippines. The addresses of these offices are available on the Company's website.

XVI. Details of Unpaid Dividends:

The Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years to the Investor Education & Protection Fund (IEPF) established by the Government. During the financial year 2019-20, an amount of Rs. 3,91,131/- which was lying in the Final Dividend 2011-12 account and an amount of Rs. 3,10,764/- which was lying in the Interim Dividend 2012-13 account of the Company was transferred to the IEPF on completion of 7 years.

The last date for claiming unpaid dividend amount before transfer to IEPF account are as under:

Financial Year		Date of Declaration	Last date for claiming unpaid dividend
Final Dividend	2012-13	25-Jul-13	30-Aug-20
Interim Dividend	2013-14	17-Oct-13	22-Nov-20
Final Dividend	2013-14	24-Jul-14	29-Aug-21
Interim Dividend	2014-15	30-Oct-14	5-Dec-21
Final Dividend	2014-15	23-Jul-15	28-Aug-22
Interim Dividend	2015-16	5-Nov-15	11-Dec-22
Final Dividend	2015-16	28-Jul-16	2-Sep-23
Interim Dividend	2016-17	20-Oct-16	25-Nov-23
Final Dividend	2016-17	27-Jul-17	01-Sep-24
Interim Dividend	2017-18	26-Oct-17	01-Dec-24
Final Dividend	2017-18	26-July -18	31-Aug-25

Individual reminders are sent to those Members whose dividends have remained unclaimed. The information on unclaimed dividend is also posted on the website of the Company.

XVII. Address for Correspondence:

S. Sampath Kumar,
 Company Secretary and Compliance Officer
 Expleo Solutions Limited
 (formerly known as SQS India BFSI Limited)
 6A, Sixth Floor, Prince Infocity-II,
 283/3, 283/4, Rajiv Gandhi Salai (OMR),

Kandanchavadi, Chennai-600 096

Telephone: +91 44 4392 3200

Fax: +91 44 4392 3258

Website: <https://expleosolutions.com> e-mail: investor.expleosol@expleogroup.com

12. Other Disclosures:

I. Materially Significant Related Party Transactions:

There are no materially significant related party transactions made by the Company with the related parties which may have a potential conflict with the interest of the Company at large.

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2019-20 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of the Company. Necessary disclosures as required under the Ind AS have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the link <https://expleogroup.com/policy-materiality-of-related-party-transactions/>.

II. There were no instances of material non-compliance and no strictures or penalties were imposed on the Company either by Securities Exchange Board of India (SEBI), Stock Exchanges or any statutory authorities on any matter related to capital markets during the last three years.

III. Whistle Blower Policy:

The Company has formulated and adopted a Whistle Blower policy. No employee has been denied access to the Audit Committee. The details of establishment of Whistle Blower Policy is posted on the Company's website. The web link for the same is <https://expleogroup.com/whistle-blower-policy/>.

IV. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Company has complied with all mandatory requirements laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable. Compliance with non-mandatory requirements is disclosed at appropriate places.

V. Policy for determining Material Subsidiary:

The policy for determining Material Subsidiary of the Company is uploaded on the Company's website. The web link for the same is <https://expleogroup.com/policy-determining-material-subsidiaries/>.

VI. Policy on dealing with Related Party Transactions:

The policy on dealing with Related Party Transactions of the Company is uploaded on the Company's website.

The web link for the same is <https://expleogroup.com/policy-materiality-of-related-party-transactions/>

VII. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- | | |
|---|-----|
| a. number of complaints filed during the financial year - | One |
| b. number of complaints disposed off during the financial year - | One |
| c. number of complaints pending as at end of the financial year - | Nil |

VIII. Disclosures with respect to demat suspense account / unclaimed suspense account: Nil.

IX. Compliances under SEBI (LODR) Regulations:

The Company is regularly complying with the requirements as stipulated under SEBI (LODR) Regulations. Information, certificates and returns as required under the provisions of SEBI (LODR) Regulations are sent to the stock exchanges within the prescribed time.

The total fees for all the services paid / provided by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is Rs. 28,77,500/-.

A certificate from a company secretary in practice that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board or Ministry of Corporate Affairs or any such statutory authority is annexed herewith.

The Company has also complied with all the mandatory requirements of SEBI (LODR) Regulations. Further, the Company has also adopted voluntary requirement of the SEBI (LODR) Regulations relating to the "Separate posts of Chairperson and Chief Executive Officer".

X. Extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

i. Reporting of Internal Auditor.

The internal auditor may report directly to the Audit Committee.

ii. No Modified opinion(s) in audit report

The auditors' report on the Ind AS Standalone financial statements of the Company is unmodified.

XI. CEO and CFO Certification:

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company have certified the annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) has certified the quarterly financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

The annual certificate given by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) is given below followed by the certificate as per Regulation 17(8).

XII. Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations:

The Company has complied with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including Regulation 17 to 27 and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the Stock Exchange within 15 (fifteen) days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the website of the Company.

Compliance of the Conditions of Corporate Governance has also been certified by the Statutory Auditors of the Company. After being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is attached to this report and the same will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Expleo Solutions Limited (formerly known as SQS India BFSI Limited)

1. This certificate is issued with regard to compliance of conditions of Corporate Governance by Expleo Solutions Limited (formerly known as SQS India BFSI Limited) ("the Company") for the year ended March 31, 2020, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management, including preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. 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

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable during the year ended March 31, 2020.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

9. This certificate has been issued at the request of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN No. : 20127355AAAACF5886

Place: Mumbai

Date: May 28, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members of Expleo Solutions Limited
(Formerly known as SQS India BFSI Limited)**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Expleo Solutions Limited (Formerly known as SQS India BFSI Limited)** having CIN: L64202TN1998PLC066604 and having registered office at 6A, Sixth Floor, Prince Infocity II, No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai - 600096, Tamil Nadu (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal <http://www.mca.gov.in/>) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SI. No	DIN	Name of Director	Date of appointment/re-appointment
1	06771242	Mr. Balaji Viswanathan	01/09/2018
2	02343860	Prof. Kumar Kothandaraman	17/09/2008 (Re-appointed on 01/04/2019)
3	01584674	Prof. Santhanagopalan Rajagopalan	17/09/2008 (Re-appointed on 01/04/2019)
4	02257381	Mr. Rajiv Kuchhal	21/09/2011 (Re-appointed on 01/04/2019)
5	02864506	Ms. Lilian Jessie Paul	30/10/2014 (Re-appointed on 30/10/2019)
6	05184138	Mr. Ralph Gillessen	09/08/2018
7	06763831	Mr. Ulrich Josef Paul Baumer	27/12/2013 (Re-appointed on 01/04/2019)
8	08345218	Mr. Olivier Aldrin	31/01/2019

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification registers, records and disclosures. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M. Alagar & Associates
Practising Company Secretaries**

M. Alagar
Practising Company Secretary
FCS No. 7488/C P No. 8196
UDIN: F007488B000260367

Place: Chennai
Date: May 20, 2020

CEO & CFO Certification

We, Balaji Viswanathan, Managing Director & Chief Executive Officer and Desikan Narayanan, Chief Financial Officer, responsible for the finance function certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai

Date : May 19, 2020

Balaji Viswanathan

Managing Director & CEO

Desikan Narayanan

Chief Financial Officer

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Directors and Senior Management Personnel. The Code of Conduct is posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2020, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, the Senior Management Team means Members of the Management one level below Executive Directors as on March 31, 2020.

Place: Chennai

Balaji Viswanathan

Date : May 20, 2020

Managing Director and CEO

BUSINESS RESPONSIBILITY REPORT AS ON March 31, 2020

Section A: General Information about the Company:

Sl. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L64202TN1998PLC066604
2	Name of the Company	Expleo Solutions Limited (Formerly known as SQS India BFSI Limited)
3	Registered address	6A, Sixth Floor, Prince Infocity-II, 283/3, 283/4, Rajiv Gandhi Salai (OMR), Kandanchavadi, Chennai - 600 096
4	Website	https://expleosolutions.com
5	E-mail ID	investor.expleosol@expleogroup.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Software Testing Service – NIC Code 62011
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Software services involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide.
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	The Company undertakes business activity in 6 locations. a) There are 3 International locations. They are Belgium, Malaysia and Philippines b) There are 3 National locations. They are Chennai – Prince Info-city II, Chennai – MEPZ, Tambaram, and Mumbai
10	Markets served by the Company - Local / State / National / International	National and International

Section B: Financial details of the Company:

1	Paid-up Capital (INR)	102.52 Mn
2	Total Turnover (INR)	2,694.04 Mn.
3	Total profit after taxes (INR)	349.49 Mn
4	Total Spending on Corporate Social Responsibility (CSR) activities, as percentage of profit after tax (%)	INR 7.83 Mn. (2.24%)
5	List of activities in which expenditure in 4 above has been incurred	Please refer CSR Report for the year-Annexure IV of Directors' Report

Section C: Other details:

1	Does the Company have any Subsidiary Company / Companies?	Yes. The Company has Four wholly owned Subsidiaries as on March 31, 2020. (a) Expleo Solutions Pte. Ltd, Singapore (b) Expleo Solutions UK Ltd, UK (c) Expleo Solutions INC, USA (d) Expleo Solutions FZE, UAE
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Our subsidiaries share our vision and values and are responsible for businesses. They do pursue responsible business practices which they believe in. The Company's responsibility practices and reporting are focused in India.
3	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The other entities with whom the Company does business do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

(a) Details of Director / Director responsible for implementation of the BR policy / policies:

SI. No.	Particulars	Details
1	DIN Number	06771242
2	Name	Balaji Viswanathan
3	Designation	Managing Director & CEO

(b) Details of the BR head :

SI. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Srinath P
3	Designation	Director – Enterprise Risk Management
4	Telephone Number	044 4392 3200
5	E-mail ID	Srinath.Parthasarathy@expleogroup.com

2. Principle wise (as per NVGs) BR Policy / policies: The nine principles are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y / N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?#	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?##	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?§	Please refer note below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?\$\$	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?@	Y	Y	Y	Y	Y	Y	Y	Y	Y

* While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned internal stakeholders.

** The policies are framed as per applicable law and as per ISO certification wherever applicable as detailed under Principle 2, point 1.

Wherever mandated by the applicable laws, rules and regulations, the policies have been approved by the Board. In other cases, the policy is approved by respective department heads of the Company.

The implementation of the policy is being overseen by the Committee/Director/Official, wherever mandated by the applicable laws, rules, and regulations in force. In other case, the implementation is overseen by the Department heads of the Company.

\$ The policies dealing with external stakeholders are available on the website at <https://expleogroup.com/expleo-solutions/corporate-governance/>. The policies dealing with internal stakeholders are available in a common folder and access of the same is available to all the employees of the Company.

\$\$ Wherever applicable, the policy has been formally communicated to all relevant internal and external stakeholders from time to time.

@ While your Company has not carried out independent audit of the policies, the policies are periodically reviewed by the Auditors of respective functions like, ISO Auditors, Internal Auditors, Secretarial Auditors etc..

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company's Business Responsibility Report is a part of the Annual Report. It will be hosted on the website of the Company at <https://expleogroup.com/expleo-solutions/financial/>. The same will be published on an Annual basis.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

(1) Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, the Company has a Business Conduct Guideline, Code of Conduct and Whistle Blower Policy, which are extended to Subsidiaries and Branches. Further, all employees are required to keep the above policies in mind while dealing with the Suppliers and Contractors.

- (2) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

As on March 31, 2020, no complaint was pending against the Company by any stakeholder. The Company has received nine (9) complaints from the shareholders of the Company during the year and the same were resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

Expleo Solutions Limited is engaged in providing technology services including Software Quality Assurance to its clients. This ensures error free software implementations and reduced go-to-market timelines. To ensure quality deliverables, Expleo has the following certifications:

- ISO 9001: 2015 – Expleo Solutions is certified for Standard on Quality Management System and has been holding the certification since 2002
- ISO 27001: 2013 – Expleo Solutions is certified for Information Security Management system standard and has been holding the certification since 2007
- PCI DSS – The cards division of Expleo Solutions is compliant with PCI DSS and has been holding the certification since 2010
- SSAE 18/ISAE 3402 – Expleo Solutions is compliant with SSAE 18/ISAE 3402 and has been holding a SOC 1 - Type II report since 2013.

Being a technology solutions company, the Company's products and services do not involve social or environmental risks. Expleo has a Delivery Management Organization which ensures that the customer interests are protected. There is also an Enterprise Risk Officer who ensures risks are maintained, monitored, and managed.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):
- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Since the Company operates in Information Technology Services (IT), no products are offered as such.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Expleo Solutions Limited is engaged in offering IT services and does not offer physical products. The Company do not use materials in any production process. However, the Company does follow sustainable sourcing practices through a Strong Business Case Model. Before sourcing any IPR or IT asset, the Business Case has to be properly approved by Management. Also, a strong evaluation practice has been followed towards sourcing of any IT or IT enabled services / equipment.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company engages with multiple suppliers, both local and international. The Company always give preference to local suppliers. Proximity to the Company's location is one significant consideration for selection of suppliers. Wherever it is feasible, preference is given to MSME vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our Policy for Asset Management and Procedure for Disposal of Information and Media takes care of the disposal of computers, monitors, computer accessories, and other electronic office equipment. The Company hires specialized agencies to carry out the e-waste disposal. The Company encourages reduced use of printing papers, wherever feasible, and usage of HRD rolls across all locations. The Company focuses on optimal use of equipment.

Principle 3: Businesses should promote the well-being of all employees.

Sl. No.	Particulars	Details
1	Please indicate the Total number of employees.	Permanent Employees – 1062
2	Please indicate the Total number of employees hired on temporary / contractual / casual basis.	Temporary Employees – 269 (On consolidated basis)
3	Please indicate the Number of permanent women employees.	387
4	Please indicate the Number of permanent employees with disabilities	2
5	Do you have an employee association that is recognized by management?	No
6	What percentage of your permanent employees is members of this recognized employee association?	NA

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	1	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Safety Training:

(a)	Permanent Employees	100%
(b)	Permanent Women Employees	100%
(c)	Casual / Temporary / Contractual Employees available	100%
(d)	Employees with Disabilities	100%

Skill Upgradation Training;

The details of skill upgradation trainings are as follows:

- (a) Industry experts/stalwarts from specialized practice areas are invited for guest talks.
 - a. Monthly “Expert Connect” session was conducted, where industry experts train our employees.
- (b) Tie-up with a global eLearning provider to upskill high potential managers on business, technology, and creative skills.
 - a. We have a tie up with Udemy and Vskills for Tech upskilling initiatives where all our employees will undergo Training and Certification.
- (c) Internal job transfers enable the Company to systematically identify, assess and develop talent towards readiness for specific future needs.
 - a. Internal Job Opportunity Portal (IJOY) for Internal Job Transfer
 - b. International Knowledge Measurement (IKM) Assessment tool to identify the employee skill and develop talent
- (d) Select senior managers are nominated for India’s top-rated post graduate analytics program.
 - a. The Company has not nominated Senior Managers for post-graduate analytics program in the current year.
 - b. However, Bullet Proof Manager (BPM) Program for Project Managers was conducted by Crestcom.
- (e) Internal publications share insights gained from existing processes by applying analytics to deliver actionable insights.
 - a. Internal Podcast on Yammer
 - b. Balance Score Card (BSC):
 It defines organisational objectives and goals. There are four categories under BSC, like organisation, customer, financials and internal process. The metrics under these categories are measured and tracked on a monthly basis.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company services enterprise clients and operate on a B2B model. The Company does not directly deal with the society. The beneficiaries of our CSR initiatives are not direct beneficiaries rather NGOs, who act as implementing agencies.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Refer the Corporate Social Responsibility Section under Directors' Report on page 13 of this Annual Report detailing work done and impact created for the disadvantaged / vulnerable and marginalized people of the Society.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Policy of the Company covers only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No such complaints received during the year.

Principle 6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others.

The Company's Guideline for Business Conduct applies to its employees, officers, probationers, trainees, interns, direct/ full time consultants, contractors, and those who have direct impact on the Company's reputation through their conduct.

2. Does the Company have strategies / initiatives. to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

All IT assets are sourced through green certified partners. The Company also obtained green certification from green certified partners for safe disposal of IT assets. All IT equipment purchased by Expleo is enabled with Ultra-Small Form Factor (USFF) which results in low power consumption. Energy efficient UPS systems with advance power saving technology are in place, giving 96% to 99% power efficiency at all times.

3. Does the Company identify and assess potential environmental risks? Y / N

The nature of the Company's business does not entail assets or processes with significant environmental footprints, and hence, the Company does not have a specific process to identify environmental risks. The Company's nature of work requires us to operate on workstations and hence, office environment and safety is paramount to us. The Company has instituted a Policy on Health and Safety to govern the same. However, there are ongoing initiatives on energy, water, and waste management. Active measures taken by the Company towards energy conservation and carbon footprint reduction include using technology to monitor and control the power consumption of air conditioning and other related equipment, use of energy efficient light bulbs, using technology for switching off computer monitors, and motion sensors for lighting controls, etc.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Given the nature of the Company's business, this is not relevant.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.

Please refer to the Conservation of Energy Section under Directors' Report on page 11 of this Annual Report.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the waste generated by the Company is within the limits prescribed by the State Pollution Control Board.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices have been received from CPCB / SPCB during the year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. Expleo Solutions Limited is a member of the NASSCOM association.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes /No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

No

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

All the initiatives under the CSR policy are taken up with an intent to create an impact on the people for whose benefit it has been undertaken. The projects are generally carried out for a minimum 3-year period. The Company's continued support over a period of time helps in many ways. It instils confidence in the mind of the recipient and makes them eager to utilise the services. Considering education is the Company's core area, it helps the children acquire more knowledge. The projects are visited every quarter by CSR standing committee members and the feedback implemented to ensure the success of the project.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

CSR initiatives are implemented either directly by the Company or through implementing agency / NGO. These provide guidance to the Company and help identify CSR projects with an established track record of at least 3 years in carrying out the specific activity.

3. Have you done any impact assessment of your initiative?

Yes. The Company has done an impact assessment during the year 2018-19. And another assessment is proposed in the year 2020-21.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The total amount spent on community development projects during Financial Year 2019-20 through CSR was INR 78,31,470. The details of the project undertaken are given in Annexure IV of the Directors' Report on page 33 of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, periodic reports and follow-up field visits, telephonic and email communications are regularly carried out. The Company has engaged employees to drive and monitor the CSR activities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

No such complaints have been received during the year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

The Company is in IT Sector and hence, this is not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such cases were filed during the year.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes. Annual customer surveys are conducted, and the rating is at Excellent.

**For and on behalf of Board of Directors of
Expleo Solutions Limited
(formerly Known as SQS India BFSI Limited)**

Place: Chennai

Date : May 28, 2020

Balaji Viswanathan
Managing Director & CEO

Prof. K. Kumar
Deputy Chairman &
Independent Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Expleo Solutions Limited (formerly known as SQS India BFSI Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Expleo Solutions Limited (formerly known as SQS India BFSI Limited)** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key Audit Matter Description	Our Response
1.	1. Revenue Recognition - Accuracy of recognition of revenue for fixed-price contracts on percentage of completion method involving critical estimates.	
	The Company derives revenue from software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers include fixed-price contracts, revenue whereof is recognised on proportionate completion method on the basis of the work completed.	Our procedures included: Assessment of the appropriateness of the Company's revenue recognition policy for fixed-price contracts to ensure that it meets the recognition and measurement principles enumerated in Ind AS 115 including disclosures in the financial statements. Obtained an understanding of the process and related controls for appropriate recognition of

Key Audit Matter Description	Our Response
<p>The use of proportionate completion method requires the Company to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended.</p> <p>These estimates of efforts or costs to be expended has a high inherent uncertainty which is based on the judgements made by the Management in ascertaining the costs and the efforts required to complete the remaining contractual performance obligations. In view of the same, there is a risk of revenue for the year being misstated due to incorrect recognition of accrued or deferred revenue as a result of using overstated / understated estimates of the costs and efforts to complete the remaining contractual performance obligations.</p> <p>(Refer Note 2(b)(i) and Note 2(c) to the Standalone Ind AS financial statements)</p>	<p>revenue. Evaluating the design and implementation and testing the operating effectiveness of such controls over the revenue recognition and measurement criteria.</p> <p>Tested fixed price contracts to assess whether the revenues recognised to date were appropriate; this work included reviewing stage of completion by reference to post year end data and understanding budget versus actual variances where applicable and the impact on revenue to be recognised by reference to the stage of completion.</p> <p>We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognised in the appropriate period.</p> <p>Evaluated the judgements made through discussions with project staff.</p> <p>Assessing the adequacy of the Company's disclosures about the degree of estimation involved in revenue recognition.</p>
2. Direct Tax Provisions - Uncertain Tax Positions	
<p>The Company has extensive international operations and in the normal course of the business, the Management makes significant judgements and estimates in relation to transfer pricing tax issues and in assessing tax exposures in each jurisdiction, many of which require interpretation of local laws, including amount expected to be paid/ recovered for uncertain tax positions.</p> <p>Where the amount of tax payable is uncertain, the group establishes provisions based on management's judgement of the probable amount of liability. This is a key judgement on account of the Company operating in a number of varying tax jurisdictions, the complexity of transfer pricing and other international tax legislations.</p> <p>Given this judgement, there is a risk that tax provisions are misstated.</p>	<p>Our procedures included:</p> <p>An understanding of:</p> <ul style="list-style-type: none"> • the Company's tax strategy and transfer pricing policy; • the methodology for the calculation of the tax charge particularly in relation to any changes implemented during the current financial year; and • management's controls over tax reporting. <p>We assessed the appropriateness of the tax provisions created by the Company and their use of estimates and judgements by involving our inhouse tax specialist team, having discussions with the Company's management, assessed recent pronouncements affecting the methodology for calculation of tax charge and copies of external tax advice reports related to tax treatments applied and the corresponding provisions recorded.</p> <p>We have also evaluated whether the liabilities and potential exposures were appropriately disclosed in the Standalone Ind AS Financial Statements.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely the Chairman's Overview, the

Performance Highlights – Decade at a glance (on a consolidated basis), the Director's Report including annexures to the Director's Report, the Business Responsibility Report, the Management Discussion and Analysis and the Corporate Governance Report, etc., but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion of the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements – Refer Note 36 (a) to the Standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA
Partner

Membership Number 127355
UDIN: 20127355AAAACD9940

Place : Mumbai
Date : May 28, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2020.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company is in the business of rendering software testing service and does not have any inventory and hence the provisions of paragraph 3 (ii) of the Order are not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clauses (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Act in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to the persons covered under Section 185 and Section 186 of the Act or given guarantees or granted securities under Section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
- vi. According to the information and explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Records and Audit) Rules, 2014.
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax (GST) and any other statutory dues with the appropriate authorities, wherever applicable. We have been informed that there are no undisputed dues which have remained outstanding as at March 31, 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us there are no dues outstanding of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax and Goods and Service Tax on account of any dispute other than the following:

Sr. No.	Name of the statute	Amount (Rs. in million)	Financial Year (F.Y.) to which the amount relates	Forum where Dispute is Pending
1.	Income Tax Act, 1961	19.33	2008-09	Income Tax Appellate Tribunal
2.	Income Tax Act, 1961	68.00	2009-10	Commissioner of Income Tax (Appeals)
3.	Income Tax Act, 1961	5.04	2011-12	Income Tax Appellate Tribunal
4.	Income Tax Act, 1961	1.57	2012-13	Income Tax Appellate Tribunal
5.	Income Tax Act, 1961	5.70	2013-14	Deputy Commissioner Income Tax
6.	Income Tax Act, 1961	9.67	2014-15	Commissioner of Income Tax (Appeals)
7.	Income Tax Act, 1961	1.70	2015-16	Commissioner of Income Tax (Appeals)
8.	Income Tax Act, 1961	0.59	2016-17	Commissioner of Income Tax (Appeals)
9.	Income Tax Act, 1961	0.55	2017-18	Commissioner of Income Tax
10.	Service Tax Act	633.58	2011-12 to 2015-16	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)
11.	Service Tax Act	118.50	April 2016 to June 2017	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)

- viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company does not have loans or borrowings from financial institutions, banks, government or debenture holders.
- ix. According to the information and explanations given to us, the Company has neither raised money by way of initial public offer or further public offer (including debt instruments) nor taken any term loans during the year.
- x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees, has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company, hence the provisions of paragraph 3(xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188

of the Act, where applicable, and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence the provisions of Section 192 of the Act are not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, hence the provisions of paragraph 3(xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA
Partner

Membership Number 127355
UDIN: 20127355AAAACD9940

Place : Mumbai

Date : May 28, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Ind AS financial statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of **Expleo Solutions Limited (formerly known as SQS India BFSI Limited)** ("the Company") as of March 31, 2020, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

Partner

Membership Number 127355

UDIN: 20127355AAAACD9940

Place : Mumbai

Date : May 28, 2020

Standalone Balance Sheet as at March 31, 2020

Rs. In Millions

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	259.43	186.35
Intangible Assets	3	0.34	1.97
Financial Assets			
(i) Investments in Subsidiaries	4	40.15	40.15
(ii) Loans	5	17.03	8.79
Deferred Tax Assets	6	13.82	25.38
Income Tax Assets (Net)	7	1.34	9.32
Other Non-Current Assets	8	75.11	66.16
Total Non-Current Assets		407.22	338.12
Current Assets			
Financial Assets			
(i) Trade Receivables	9	644.84	300.24
(ii) Cash and Cash Equivalents	10	617.38	831.65
(iii) Bank Balances other than (ii) above	11	82.55	8.06
(iv) Loans	12	4.82	26.34
(v) Other Current Financial Assets	13	58.88	57.51
Other Current Assets	14	22.76	25.14
Total Current Assets		1,431.23	1,248.94
TOTAL ASSETS		1,838.45	1,587.06
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	102.52	107.13
Other Equity	16	1,050.00	961.69
Total Equity		1,152.52	1,068.82
LIABILITIES			
Non-Current Liabilities			
Other Non Current Financial Liabilities	17	65.38	-
Provisions	18	10.96	7.64
Total Non-Current Liabilities		76.34	7.64
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	37	3.96	0.10
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		291.72	183.92
(ii) Other Current Financial Liabilities	19	214.91	232.63
Other Current Liabilities	20	45.22	41.74
Provisions	21	3.49	2.55
Current Tax Liabilities (Net)	22	50.29	49.66
Total Current Liabilities		609.59	510.60
TOTAL EQUITY AND LIABILITIES		1,838.45	1,587.06
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our Report of even date.

Signatures to the Standalone Balance Sheet and Notes to Standalone Financial Statements

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W/W100166

For and on behalf of the Board

FARHAD M. BHESANIA
Partner

Prof. K. KUMAR
Deputy Chairman & Director

BALAJI VISWANATHAN
Managing Director & CEO

DESIKAN NARAYANAN
Chief Financial Officer

S. SAMPATH KUMAR
Company Secretary & Compliance Officer

Membership Number 127355
Place : Mumbai
Date : May 28, 2020

DIN : 02343860
Place : Bengaluru
Date : May 28, 2020

DIN : 06771242
Place : Bengaluru
Date : May 28, 2020

Place : Chennai
Date : May 28, 2020

ICSI Membership No. F3838
Place : Chennai
Date : May 28, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

Rs. In Millions			
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from Operations	23	2,694.04	2,827.73
Other Income	24	67.66	55.53
Total Income		2,761.70	2,883.26
EXPENSES			
Employee Benefits Expense	25	1,347.15	1,249.77
Finance Cost	26	11.08	0.67
Depreciation and Amortisation Expense	3	58.00	54.76
Other Expenses	27	858.13	1,097.79
Total Expenses		2,274.36	2,402.99
Profit Before Tax		487.34	480.27
Tax Expense			
Current Tax	6 (b)	124.72	173.50
Deferred Tax	6 (a)	13.13	(7.61)
Profit for the Year		349.49	314.38
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan		(6.24)	(2.38)
Income tax relating to items that will not be reclassified to profit or loss	6 (c)	1.57	0.83
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the Year		344.82	312.83
Earnings per Equity Share (Face value Rs. 10/- per share)			
Basic (Rs.)	28	33.73	29.35
Diluted (Rs.)	28	33.73	29.35
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our Report of even date

Signatures to the Standalone Statement of Profit & Loss and Notes to Standalone Financial Statements

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W/W100166

For and on behalf of the Board

FARHAD M. BHESANIA
Partner

Membership Number 127355
Place : Mumbai
Date : May 28, 2020

Prof. K. KUMAR
Deputy Chairman & Director

DIN : 02343860
Place : Bengaluru
Date : May 28, 2020

BALAJI VISWANATHAN
Managing Director & CEO

DIN : 06771242
Place : Bengaluru
Date : May 28, 2020

DESIKAN NARAYANAN
Chief Financial Officer

Place : Chennai
Date : May 28, 2020

S. SAMPATH KUMAR
Company Secretary & Compliance Officer

ICSI Membership No. F3838
Place : Chennai
Date : May 28, 2020

Standalone Statement Of Changes In Equity for the year ended March 31, 2020

(a) Equity Share Capital

Rs. In Millions

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
107.10	0.03	107.13

Rs. In Millions

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
107.13	(4.61)	102.52

(b) Other Equity

Rs. In Millions

Particulars	Employee Stock Compensation Reserve	Reserves and Surplus				Total
		Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	
Balance as at April 1, 2018	1.31	193.22	181.09	531.24	-	906.86
Profit for the year	-	-	-	314.38	-	314.38
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	(1.55)	-	(1.55)
Total Comprehensive Income for the Year	-	-	-	312.83	-	312.83
Dividend (Including Dividend Distribution Tax)	-	-	-	(258.31)	-	(258.31)
Transfer to General Reserve	-	-	31.00	(31.00)	-	-
Securities premium received on issue of shares on exercise of employee stock options during the year	-	0.31	-	-	-	0.31
Balance as at March 31, 2019	1.31	193.53	212.09	554.76	-	961.69
Profit for the year	-	-	-	349.49	-	349.49
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	(4.67)	-	(4.67)
Total Comprehensive Income for the Year	-	-	-	344.82	-	344.82
Transfer to General Reserve	-	-	34.00	(34.00)	-	-
Expenses for buy back of equity shares	-	-	-	(7.62)	-	(7.62)
Transfer to Capital redemption reserve	-	-	-	(4.61)	4.61	-
Reduction of Share capital on buy back	-	(193.53)	-	(55.36)	-	(248.89)
Balance as at March 31, 2020	1.31	-	246.09	797.99	4.61	1,050.00

As per our Report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA
Partner

Membership Number 127355
Place : Mumbai
Date : May 28, 2020

Signatures to the Standalone Statement of changes in Equity and Notes to Standalone Financial Statements

For and on behalf of the Board

Prof. K. KUMAR
Deputy Chairman & Director

DIN : 02343860
Place : Bengaluru
Date : May 28, 2020

BALAJI VISWANATHAN
Managing Director & CEO

DIN : 06771242
Place : Bengaluru
Date : May 28, 2020

DESIKAN NARAYANAN
Chief Financial Officer

Place : Chennai
Date : May 28, 2020

S. SAMPATH KUMAR
Company Secretary & Compliance Officer

ICSI Membership No. F3838
Place : Chennai
Date : May 28, 2020

Standalone Statement of Cash Flows for the year ended March 31, 2020

	Rs. In Millions	
Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	487.34	480.27
Adjustment for:		
Depreciation and Amortization Expense	58.00	54.76
(Profit)/ Loss on sale of Property, Plant and Equipment	(0.23)	0.78
Provision no longer required	-	(4.63)
Unrealized forex exchange loss/(gain) (Net)	(34.69)	27.49
Interest income	(14.10)	(14.35)
Finance cost	10.60	-
(Reversal of)/Allowance for credit loss	(0.32)	(1.00)
Unwinding of discount on security deposits	(0.85)	(1.11)
Operating profit before working capital changes	505.75	542.21
Adjustment for:		
(Increase)/ Decrease in Trade Receivables	(328.57)	247.44
(Increase)/ Decrease in Loans	9.85	(13.77)
(Increase)/ Decrease in Other Current Financial Assets	(0.72)	(20.86)
(Increase)/ Decrease in Other Current Assets	1.76	9.81
(Increase)/ Decrease in Other Non-Current Assets	(3.23)	(34.56)
Increase/ (Decrease) in Trade Payables	111.38	66.74
Increase/ (Decrease) in Other Current Financial Liabilities	(40.87)	(5.52)
Increase/ (Decrease) in Other Current Liabilities	3.47	(16.33)
Increase/ (Decrease) in Provisions	4.26	(3.11)
Cash generated from operations	263.08	772.05
Direct taxes paid (net of refunds)	(121.84)	(229.64)
Net cash flow from operating activities (A)	141.24	542.41
B. Cash flow from investing activities		
Investment in bank deposits having maturity greater than 3 months	(76.90)	(212.51)
Proceeds from maturity of Fixed Deposits	2.41	459.63
Payments for purchase of Property, Plant and Equipment and Intangible Assets	(23.27)	(23.47)
Proceeds from sale of Property, Plant and Equipment	0.23	3.09
Interest received on deposit with banks	13.44	18.23
Net cash flow (used in)/from investing activities (B)	(84.09)	244.97
C. Cash Flow from financing activities		
Lease liability paid	(27.76)	-
Proceeds from Issue of Shares	-	0.34
Buy back of equity shares	(253.49)	-
Expenses for Buy back of equity shares	(7.62)	-
Dividends paid	-	(214.27)
Tax on dividend paid	-	(44.04)
Net cash Flow (used in) financing activities (C)	(288.87)	(257.97)
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	(231.72)	529.41
Effect of changes in exchange rate on cash and cash equivalents	17.45	(5.56)
Cash & cash equivalents at the beginning of the year	831.65	307.80
Cash and cash equivalents at the end of the year (Refer Note 10)	617.38	831.65

Notes: The above Statement of Cash Flows includes Rs. 7.83 Million spent (Previous Year: Rs. 7.97 Million) towards Corporate Social Responsibility (CSR) Activities (Refer Note 40).

The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the Standalone Financial Statements.
As per our Report of even date.

For KALYANIWALLA & MISTRY LLP For and on behalf of the Board

CHARTERED ACCOUNTANTS

Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA

Partner

Membership Number 127355

Place : Mumbai

Date : May 28, 2020

Prof. K. KUMAR

Deputy Chairman & Director

DIN : 02343860

Place : Bengaluru

Date : May 28, 2020

BALAJI VISWANATHAN

Managing Director & CEO

DIN : 06771242

Place : Bengaluru

Date : May 28, 2020

DESIKAN NARAYANAN

Chief Financial Officer

Place : Chennai

Date : May 28, 2020

S. SAMPATH KUMAR

Company Secretary & Compliance Officer

ICSI Membership No. F3838

Place : Chennai

Date : May 28, 2020

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note: 1

Company Overview:

Expleo Solutions Limited (formerly known as SQS India BFSI Limited) ("Expleo Solutions" or "the Company"), incorporated on June 8, 1998 as a private limited company was converted into a public limited company with effect from August 19, 2008. The Company made its Initial Public Offering (IPO) of its Equity Shares on September 24, 2009 (issue open date) and shares under IPO were allotted on October 14, 2009. The Company's shares were listed on the National Stock Exchange and Bombay Stock Exchange with effect from October 26, 2009.

The Company is a subsidiary of Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG, Germany).

The Company is an India based software service provider primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. The Company has invested in four wholly owned subsidiaries in Singapore, USA, UK and UAE for market development and service delivery in the respective regions."

The Financial Statements of the Company for year ended March 31, 2020 were authorized for issue in accordance with a resolution of the Board of Directors on May 28, 2020.

Note: 2

Significant Accounting Policies:

a) Basis of preparation of financial statements:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), the Companies Indian Accounting Standards Rules, 2015, as amended, and other applicable provisions of the Act.

(i) Basis of presentation of financial statements:

The Standalone Balance Sheet, Standalone Statement of Profit and Loss and the Standalone

Statement of Changes in Equity have been prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'. The disclosure requirements with respect to items of the Standalone Balance Sheet and the Standalone Statement of Profit and Loss are presented by way of notes forming part of the Standalone Financial Statements.

The Company has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current.

(ii) Estimation of uncertainties relating to the global health pandemic from COVID-19:

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.

iii) Basis of Measurement:

These Standalone Ind AS Financial Statements have been prepared based on accrual and going concern principles following the historical cost convention except for the following financial assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value
- Defined benefit plans - plan assets and share based payments measured at fair value.

Accounting policies have been consistently applied except where a newly-issued

Notes to the Standalone Financial Statements for the year ended March 31, 2020

accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

The Standalone Financial Statements include figures pertaining to Head office and Branches/ Places of Business located at Madras Export Processing Zone - Chennai, Belgium, Phillipines and Malaysia. The Australia branch has no transactions during the year and was closed during the current year and the Company has opened a branch in Phillipines during the current year.

b) Critical Accounting Estimates:

While preparing these Ind AS compliant Standalone Financial Statements, the management has made certain estimates and assumptions that require subjective & complex judgments. These judgments affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized prospectively.

Judgments, estimates and assumptions are required for:

i) Revenue Recognition:

Revenue from Contracts with Customers:

The Company uses percentage of completion method for its fixed-bid contracts. The use of percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on

uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii) Determination of the estimated useful lives and residual values of tangible assets:

Useful lives of tangible assets are based on the life prescribed in the Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management's technical evaluation taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacements. Assumptions are also made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of residual value of the asset is based on the management's judgement about the condition of such asset at the point of sale of asset.

iii) Recognition and measurement of defined benefit obligation:

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, attrition rate and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

iv) Recognition of deferred tax assets:

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forwards and tax

Notes to the Standalone Financial Statements for the year ended March 31, 2020

credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary difference, depreciation carry forwards and unused tax credits could be utilised.

v) Leave Encashment:

The Company has a policy on the compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

vi) Income Tax:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

vii) Impairment of Investments:

The Company reviews its carrying value of investments in subsidiaries at cost annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

viii) Expected credit losses on financial assets:

On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about risk of default and expected timing of collection. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

ix) Provisions and Contingent Liabilities:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

x) Discounting of long term financial assets/ liabilities:

All financial assets/ liabilities are required to be measured at fair value on initial recognition. In case of financial assets/ liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

c) Revenue Recognition:

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The significant accounting policies related to revenue recognition are as under:

Software service income:

The Company has applied the guidance in Ind AS 115 "Revenue from Contracts with Customers" by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software testing services as distinct performance obligations. The transaction price as allocated to each distinct performance obligation is defined in the contract with the customer. In case of fixed bid contracts, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses and the entity's performance creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

- i. The Company derives revenue from software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers are on a fixed-bid or a time -and- material basis.
- ii. Revenue in respect of time -and- material contracts is recognized based on time/ efforts spent and/ or billed to clients as per the terms of specific contracts as there is

Notes to the Standalone Financial Statements for the year ended March 31, 2020

a direct relationship between input and productivity.

- iii. Revenue from fixed-bid contract, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which the Company refers to as Unbilled Revenue) while invoicing in excess of revenues are classified as contract liabilities (which the Company refers to as Unearned Revenue).

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

- iv. The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

- v. Revenue includes reimbursement of expenses wherever billed as per the terms of the contracts.
- vi. Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.
- vii. The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.
- viii. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

d) Interest Income:

Interest Income is recognised using the effective interest rate method.

e) Dividend Income:

Dividend income is recognized when the right to receive payment is established.

f) Other Income:

Other Income is recognized when the right to receive is established.

g) Government Grants:

Grants from the government are recognised when there is reasonable assurance that:

- (i) the Company will comply with the conditions attached to them; and
- (ii) the grant will be received.

h) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing Costs relating to acquisition of qualifying assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Depreciation on assets is provided on the straight line method on the basis of useful life which is equal to or lower than the useful life prescribed in Schedule II of the Companies Act, 2013 for all the assets. The useful life is determined on the management's technical evaluation.

Asset description	Useful life (in years)
Building	20 years
Plant and equipment	3 years
Computer equipment	3 years
Furniture and fittings	3 years
Office Equipment	3 years
Vehicles	4 years
Temporary Partitions	Fully Depreciated
Leasehold Rights and Improvements	Tenure of lease period or 10 years whichever is less
Residual Value is considered to be NIL.	

In the view of the management, property, plant and equipment individually costing Rs. 5,000/- or less are depreciated in full in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of

Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

i) Intangible Assets:

Intangible Assets are stated at costs less accumulated amortization and impairment losses if any. Intangible Assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. If the estimated useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss, when the asset is derecognized.

Amortization rates currently applied are as follows:

Asset description	Useful life (in Years)
Intangible Assets - Computer Software	3 years
Intangible Assets - Software tools	5 years
Residual value is considered to be NIL.	

In the view of the management, intangible assets individually costing Rs. 5,000/- or less have a useful life of one year and are hence fully amortised in the year of acquisition.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

j) Financial Instruments:

(i) Initial Recognition:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Subsequent Measurement:

a) Non-derivative financial instruments:

(i) Financial instruments measured at amortized cost:

A financial instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The computation of amortized cost is done using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

(ii) Financial Assets at fair value through Other Comprehensive Income:

A financial instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in Other Comprehensive Income.

(iii) Financial Assets at fair value through profit and loss:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial Liabilities:

Financial Liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investments in subsidiaries:

Investment in subsidiaries is carried at cost in the separate financial statements.

b) Share Capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary equity shares are recognized as a deduction from equity, net of any tax effects.

c) Derivatives:

Derivatives include foreign currency forward contracts. It is measured at fair value. Fair value of foreign currency forward contracts are determined using the fair value reports provided by the respective banks.

(iii) Derecognition of financial instruments:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is

Notes to the Standalone Financial Statements for the year ended March 31, 2020

derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

k) Impairment:

(i) Financial Assets:

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the Statement of Profit and Loss.

(ii) Non-financial assets:

Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are required to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount

by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

l) Fair value of financial instruments:

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value

Notes to the Standalone Financial Statements for the year ended March 31, 2020

measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to Note 30 in the Financial Statements for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

m) Provisions and Contingencies:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Onerous Contracts:

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent Liabilities are disclosed in the notes to accounts. A contingent liability is a possible obligation that arises due to past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain

future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but their existence is disclosed in the financial statements.

n) Foreign Currency:

Functional Currency:

The functional currency of the Company is the Indian rupee. These Standalone Financial Statements are presented in Indian rupees.

Transactions and Translations:

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which transaction is settled. Exchange differences on account of conversion of foreign operations are also recognized as income or as expense in the year in which they arise. Revenue and expense items pertaining to foreign operations denominated in foreign currencies are translated into the relevant functional currencies using the monthly weighted average exchange rate of the respective currencies. The gains or losses resulting from such transactions are included in exchange loss/ gain under the head "Other Expenses" or under the head "Other Income" respectively in the Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

o) Earnings per share:

Basic earnings per equity share are computed by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

p) Income taxes:

Income tax expense comprises of current and deferred income tax. Income tax expense is recognized in the Statement of Profit and Loss for items recognised in the Statement of Profit and Loss. Income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in Other Comprehensive Income (OCI) or in Equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

Current Tax:

Current income tax for current and prior periods (including Minimum Alternate Tax (MAT)) is recognized at the amount expected to be paid to or recovered from the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted, at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and

b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax:

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit and 10AA (SEZ deduction) and other applicable deductions as prescribed in the said Section 115BAA for current year. The Company is in the 11th year of Tax Holiday benefit u/s 10AA (SEZ Benefit) in the current year. The Company had already claimed the deductions towards

Notes to the Standalone Financial Statements for the year ended March 31, 2020

100% of the profits from the SEZ unit for the first 5 years and 50% of the profits from the SEZ unit for the next 5 years as provided under the Income Tax Act, 1961 until the previous year.

q) Employee Benefits:

(i) Short term employee benefits:

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Leave Encashment:

The Company pays leave encashment on short term basis for Onsite employees for the period of leave they are entitled to during their onsite stay.

(ii) Post Employment obligations:

(a) Defined contribution plan:

Employee benefits in the form of Provident Fund/Social Security payments are defined contribution schemes and contributions made are charged to the Statement of Profit and Loss for the year. The Company has no further obligations under these plans beyond its periodic contributions. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(b) Defined benefit plan:

Gratuity:

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering all its eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liability with regard to the gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the

projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in other comprehensive income. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

(iii) Long Term Employee Benefits:

The Company's net obligation in respect of long term employee benefits for offshore employees, being long term compensated absences, is the amount of future benefits that employee have earned in return for the service in the current and prior periods. The liability is determined by an independent actuary, using Projected Unit Control Method. Actuarial gains and losses are recognised immediately as income or expense in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

r) Share based compensation:

The Company recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102 'Share-Based Payment'. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

s) Statement of Cash Flows:

The Statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents in the Statement of Cash Flows comprise cash at bank and in hand and fixed deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

t) Dividends:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

u) Lease:

Where the Company is a lessee:

Effective 1st April 2019, the Company adopted Ind AS 116 "Leases", using modified retrospective approach. Accordingly, the comparatives have not been retrospectively restated. The effect of adoption of Ind AS 116 was insignificant.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease.

On transition, the Company has recognised new assets and liabilities for its operating leases of premises.

- i) Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019.
- (ii) Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- (iii) The nature of expenses related to those leases changed from lease rent in previous periods to
 - (a) amortization charge for the right-to-use asset, and
 - (b) interest accrued on lease liability.
- (iv) The Company used a practical expedient when applying Ind AS 116. The Company did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The Lease payments associated with these are recognised as expenses on a straight line basis over the lease term.

v) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Company's operations predominantly relate to software validation and verification services relating to banking and financial services and insurance industry and accordingly, this is the only primary reportable business segment. The segment sales information is provided on a geographical basis classified as India and the rest of the world.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 3: Property, Plant & Equipment and Intangible Assets

Particulars	GROSS BLOCK						DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at April 1, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	Upto March 31, 2019	For the Year	Deductions during the year	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019		
a) Property, Plant & Equipment												
Buildings												
- Owned	190.21	0.49	-	190.70	34.83	11.63	-	46.46	144.24	155.38		
- Right of Use Assets (Refer Note 3.1)	-	106.18	-	106.18	-	23.24	-	23.24	82.94	-		
Leasehold Improvements	2.37	-	-	2.37	2.36	-	-	2.36	0.01	0.01		
Plant and Equipment	14.48	1.46	1.15	14.79	12.33	3.26	1.15	14.44	0.35	2.15		
Office Equipment	9.14	1.56	1.65	9.05	5.11	1.67	1.65	5.13	3.92	4.03		
Furniture and Fittings	23.36	0.35	0.89	22.82	20.43	2.97	0.89	22.51	0.31	2.93		
Computer Equipment	61.12	19.40	16.98	63.54	42.39	12.70	16.98	38.11	25.43	18.73		
Vehicles	3.34	-	-	3.34	0.22	0.89	-	1.11	2.23	3.12		
Total Property, Plant & Equipment	304.02	129.44	20.67	412.79	117.67	56.36	20.67	153.36	259.43	186.35		
Previous Year	288.34	23.02	7.34	304.02	75.55	45.59	3.47	117.67	186.35			
b) Intangible Assets												
Computer Software and Tools	19.59	0.01	0.03	19.57	17.62	1.64	0.03	19.23	0.34	1.97		
Total Intangible Assets	19.59	0.01	0.03	19.57	17.62	1.64	0.03	19.23	0.34	1.97		
Previous Year	19.14	0.45	-	19.59	8.45	9.17	-	17.62	1.97			
TOTAL (a + b)	323.61	129.45	20.70	432.36	135.29	58.00	20.70	172.59	259.77	188.32		
Previous Year	307.48	23.47	7.34	323.61	84.00	54.76	3.47	135.29	188.32			

Note 3.1: Buildings includes right-of-use assets of RS. 106.18 Million related to leased properties that do not meet the definition of investment property.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 4: Investments in Subsidiaries

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Equity Instruments (Unquoted)		
In wholly owned subsidiaries (Fully Paid Up):		
100,000 equity shares (Previous Year: 100,000) of SGD 1/- each in Expleo Solutions Pte. Ltd., Singapore	2.66	2.66
3,000 equity shares (Previous Year: 3,000) of USD 0.01/- each in Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	4.62	4.62
350,000 equity shares (Previous Year : 350,000) of GBP 1/- each of Expleo Solutions UK Ltd.	24.17	24.17
600 equity shares (Previous Year: 600) of AED 1,000/- each in Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE)	8.70	8.70
Total	40.15	40.15
Aggregate Value of Unquoted Investments	40.15	40.15

Note 5: Loans

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	17.03	8.79
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	-	2.44
Less: Allowance for Doubtful Deposits	-	(2.44)
Total	17.03	8.79

Note 6: Deferred Tax Assets

a) Movement in Deferred Tax Balances

Rs. In Millions

Particulars	Net Balance as at April 01, 2019	Movement during the year		Net balance as at March 31, 2020
		Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	
Deferred Tax Assets				
Property, Plant and Equipment	12.00	(3.86)	-	8.14
Employee Benefits	4.39	(0.28)	1.57	5.68
Allowance for expected Credit loss	0.12	(0.12)	-	-*
Unused Tax Credits	8.87	(8.87)	-	-
Deferred Tax Assets	25.38	(13.13)	1.57	13.82

* Denotes an amount less than Rs. 5,000/-.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 6: Deferred Tax Assets (Contd.)

a) Movement in Deferred Tax Balances (Contd.)

Rs. In Millions

Particulars	Net balance as at April 01, 2018	Movement during the year		Net balance as at March 31, 2019
		Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	
Deferred Tax Assets				
Property, Plant and Equipment	5.76	6.24	-	12.00
Employee Benefits	0.95	2.61	0.83	4.39
Allowance for expected Credit loss	0.47	(0.35)	-	0.12
Unused Tax Credits	8.87	-	-	8.87
Long Term Capital Gain	0.89	(0.89)	-	-
Deferred Tax Assets	16.94	7.61	0.83	25.38

b) Amounts recognised in Profit and Loss

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Income Tax		
Current tax expense for current year	124.72	171.96
Current tax expense pertaining to previous years	(2.69)	1.54
	122.03	173.50
Deferred Tax Asset (Net)		
Origination and reversal of Tax on Temporary Differences	15.82	(7.61)
Total Tax expense for the year	137.85	165.89

c) Amounts recognised in Other Comprehensive Income

Rs. In Millions

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before Tax	Tax (Expense)/ Benefit	Net of Tax	Before Tax	Tax (Expense)/ Benefit	Net of Tax
Remeasurement of Defined Benefit Liability	(6.24)	1.57	(4.67)	(2.38)	0.83	(1.55)
Total	(6.24)	1.57	(4.67)	(2.38)	0.83	(1.55)

d) Reconciliation of Income Tax expense and the accounting profit multiplied by India's tax rate

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	487.34	480.27
Indian statutory income tax rate	25.168%	34.944%
Expected income tax expense	122.65	167.83

Notes to the Standalone Financial Statements for the year ended March 31, 2020

d) Reconciliation of Income Tax expense and the accounting profit multiplied by India's tax rate (Contd.)

Particulars	Rs. In Millions	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax effect of adjustment to reconcile expected Income Tax expense :		
Tax Effect of Non-Deductible expenses to reported Income Tax Expense	1.69	(1.60)
Tax Effect of MAT Tax credit foregone on adoption of Lower Tax Rate	8.87	-
Tax Effect of Tax holidays (Refer Note (e) below)	-	(4.30)
Tax Effect of Tax paid at a lower rate for foreign branches	2.53	1.57
Adjustments recognised in current year in relation to tax of prior years	(2.69)	1.54
Tax Effect of adoption of Lower Tax Rate on Deferred Tax	4.76	-
Tax Effect of Income not subject to Tax	-	(0.02)
Income chargeable at lower rate of tax	-	0.89
Others	0.04	(0.02)
Total Income Tax Expense	137.85	165.89

- e) As per Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019 a new section was inserted named 115BAA under the Income Tax Act, 1961 wherein the Ordinance provides domestic companies with an option to pay income tax at the rate of 22%, provided they do not claim certain deductions under the IT Act. The Company after evaluation has decided to adopt the Lower Tax rate effective from FY 19-20.

Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit and 10AA (SEZ deduction) and other applicable deductions as prescribed in the said Section 115BAA for FY 19-20. The Company is in the 11th year of Tax Holiday benefit u/s 10AA(SEZ Benefit) in the FY 19-20. The Company had already claimed the deductions towards 100% of the profits from the SEZ unit for the first 5 years and 50% of the profits from the SEZ unit for the next 5 years as provided under the Income Tax Act, until the previous year.

- f) The Company offsets tax assets & liabilities if and only if it has a legally enforceable right to set off current tax assets & current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.
- g) The recoverability of deferred income tax assets is based on the estimate of taxable income in the tax jurisdiction in which the entity operates and the period over which deferred income tax assets will be recovered.

h) Tax Credits Carried forward

Particulars	Rs. In Millions		
	As at March 31, 2020	As at March 31, 2019	Expiry Date
F.Y 2008-09	-**	-*	March 31, 2024
F.Y 2009-10	-**	8.87	March 31, 2025

* Denotes an amount less than Rs. 5,000/-.

** Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit in the current year

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 7: Income Tax Assets (Net)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax and Tax Deducted at Source (Net)	1.34	9.32
Total	1.34	9.32

(Refer Note 6 for Tax Reconciliations)

Note 8: Other Non Current Assets

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	0.82	0.76
Employee Advances	3.84	-
Prepaid Expenses	0.06	0.74
Balance with Government authorities	70.39	64.66
Total	75.11	66.16

Note 9: Trade Receivables

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables Considered Good - Secured	-	-
Trade Receivables Considered Good - Unsecured (Refer Note 9.1 below)	644.86	300.58
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Less: (Reversal of) Allowances for Credit Loss	(0.02)	(0.34)
Total	644.84	300.24

Note 9.1: Includes dues from a subsidiary Rs. 56.43 Million (Previous Year: Rs. 45.64 Million) (Refer Note 42).

Note 10: Cash and Cash Equivalents

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Balances With Banks		
in Current Accounts	512.38	796.64
in Deposit Accounts with original maturity of less than 3 months	105.00	35.00
Cash On Hand	-*	0.01
Total	617.38	831.65

Note 10.1: There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of the reporting period and prior period.

* Denotes an amount less than Rs. 5,000/-.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 11: Other Bank Balances

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Balances With Banks		
Earmarked Balances with Banks - Unclaimed Dividend	2.92	3.93
Deposits with original maturity of more than 3 months but less than 12 months (Refer Note 11.1 below)	79.63	4.13
Total	82.55	8.06

Note 11.1: Includes deposits under lien with bank guarantee issued by the bank on behalf of the Company Rs. 3.09 Million (Previous Year: Rs. 3.63 Million).

Note 11.2: There are no repatriation restrictions with regard to Other Bank balances as at the end of the reporting period and prior period.

Note 12: Loans (Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	4.82	26.34
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	-	-
Total	4.82	26.34

Note 13: Other Current Financial Assets

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on fixed deposits	0.76	0.11
Export incentive receivables	34.44	50.44
Unbilled Revenue	23.68	6.16
Other Receivables	-	0.80
Total	58.88	57.51

Note 14: Other Current Assets

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Considered Good		
Advances to Vendors	1.58	2.09
Advances to employees and others	7.85	5.48
Balances with Government Authorities	1.32	2.53
Prepaid Expenses	12.01	14.46
Deferred Rent	-	0.58
Total	22.76	25.14

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 15: Equity Share Capital

Rs. In Millions

Particulars	As at	As at
	March 31, 2020	March 31, 2019
a) Authorised		
12,000,000 Equity Shares of Rs. 10/- each	120.00	120.00
	120.00	120.00
b) Issued, Subscribed and Paid Up		
10,252,485 (Previous Year: 10,713,381) Equity Shares of Rs. 10/- each fully paid up	102.52	107.13
Total	102.52	107.13

c) During the year, the Company has bought back 460,896 (Previous Year: Nil) Equity Shares comprising approximately 4.30% of the paid-up equity share capital of the Company. In the previous year, the Company has issued 3,000 Equity shares under the Employee Stock Option Scheme, 2011.

d) Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. In Millions	No. of shares	Rs. In Millions
Equity Shares				
Outstanding at the beginning of the year	10,713,381	107.13	10,710,381	107.10
Add: Issued during the year	-	-	3,000	0.03
Less: Buyback of shares during the year (Refer Note 33)	460,896	4.61	-	-
Outstanding at the end of the year	10,252,485	102.52	10,713,381	107.13

e) Shareholding Information

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	No. of shares	No. of shares
Equity Shares are held by		
Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG) (Holding Company)	5,758,804	5,758,804

f) Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 15: Equity Share Capital (Contd.)

g) Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	%	No. of shares	%
Equity Shares				
Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG) (Holding Company)	5,758,804	56.17	5,758,804	53.75

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

h) Equity Shares Reserved for Issue Under Options

For Details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, please refer Note 32(a).

Note 16: Other Equity

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
a) Securities Premium (Refer Note 16.1 below)		
Opening Balance	193.53	193.22
Addition during the year	-	0.31
Buyback of Equity Shares during the year (Refer Note 33)	(193.53)	-
Closing Balance	-	193.53
b) General Reserve (Refer Note 16.2 below)		
Opening Balance	212.09	181.09
Addition during the year	34.00	31.00
Closing Balance	246.09	212.09
c) Retained Earnings (Refer Note 16.3 below)		
Opening Balance	554.76	531.24
Profit for the year	349.49	314.38
Transfer to General Reserve	(34.00)	(31.00)
Other Comprehensive Income	(4.67)	(1.55)
Transfer to Capital redemption reserve upon Buyback (Refer Notes 16.4 and 33)	(4.61)	-
Buyback of Equity Shares during the year (Refer Note 33)	(62.98)	-
Dividends (including Dividend Distribution Tax)	-	(258.31)
Closing Balance	797.99	554.76

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 16: Other Equity (Contd.)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
d) Capital Redemption Reserve (Refer Note 16.4 below)		
Opening Balance	-	-
Transfer from Retained Earnings upon Buyback (Refer Notes 16.4 and 33)	4.61	-
Closing Balance	4.61	-
e) Employee Stock Compensation Reserve (Refer Note 16.5 below)		
Opening Balance	1.31	1.31
Addition during the year	-	-
Closing Balance	1.31	1.31
Total	1,050.00	961.69

Note 16.1: Securities Premium

The Securities Premium has been created on account of premium on issue of Equity Shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013. During the year, an amount of Rs. 193.53 Million was utilised from Securities Premium, to offset the excess of total buy-back cost of Rs. 261.11 Million (including Rs. 7.62 Million towards transaction cost of buy-back) over par value of shares.

Note 16.2: General Reserve

The Company has transferred a portion of its net profit to the General Reserve, on a voluntary basis.

Note 16.3: Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders. During the year, an amount of Rs. 59.97 Million was utilised from retained earnings, to offset the excess of total buy-back cost of Rs. 261.11 Million (including Rs. 7.62 Million towards transaction cost of buy-back) over par value of shares.

Note 16.4: Capital Redemption reserve

As per provisions of Section 69 of the Companies Act, 2013, Capital Redemption Reserve is to be created when Company purchases (buys back) its own shares out of the free reserves for an amount equal to the nominal value of shares (Share Capital extinguished) so purchased. Accordingly, an amount of Rs. 4.61 Million i.e. the Share Capital extinguished has been transferred from Retained Earnings to Capital Redemption Reserve.

Note 16.5: Employee Stock Compensation Reserve

The Employee Stock Compensation Reserve is used to recognise the grant date fair value of options issued under the Company's/Group's Stock Option Plan provided to employees as part of their remuneration (Refer Note 32 (b)).

Note 17: Other Non Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liability	65.38	-
Total	65.38	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 18: Provisions (Non Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Compensated Absences	10.96	7.64
Total	10.96	7.64

Note 19: Other Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Unclaimed dividend (Refer Note 19.1 below)	2.92	3.93
Employee benefits payable	73.93	67.48
Gratuity Liability	8.11	1.40
Lease Liability	18.75	-
Liabilities for other expenses	111.20	159.82
Total	214.91	232.63

Note 19.1: There are no amounts due for payment to the Investor Education and Protection Fund as at the end of the current year and previous year.

Note 20: Other Current Liabilities

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	44.58	34.34
Unearned Revenue	0.64	7.40
Total	45.22	41.74

Note 21: Provisions (Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Compensated Absences	3.49	2.55
Total	3.49	2.55

Note 22: Current Tax Liabilities (Net)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Tax (Net)	50.29	49.66
Total	50.29	49.66

(Refer Note 6 for Tax Reconciliations)

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 23: Revenue from Operations

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contracts with customers		
Software services (Refer Note 23.1 below)	2,694.04	2,827.73
Total	2,694.04	2,827.73

Note 23.1: Disclosures relating to Revenue from Operations

a) Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers for the years ended March 31, 2020 and March 31, 2019 by contract type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of their revenues and cash flows are affected by economic factors.

Revenue based on contract type:

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fixed Bid	932.74	1,145.49
Time & Material	1,761.30	1,682.24
Total	2,694.04	2,827.73

The Company derives its revenue across two categories of contracts - Fixed Bid contracts and Time & Material (T&M) contracts. The Company has identified a single reportable segment namely 'Software Validation and Verification Services' as disclosed in Note 41 to the Standalone Financial Statements. The Company has disclosed revenue generated by geographical market which is provided only as per the specific requirement of Ind AS 108 for a single reportable segment. However, the Company does not assess revenue based on geography and hence there is no disaggregation of revenue disclosed based on geography.

b) The contract liabilities (unearned revenue) primarily relate to the advance consideration received from customers for which revenue is recognised over time. An amount of Rs. 7.40 Million (Previous Year: Rs. 17.65 Million) recognised in contract liabilities as at April 1, 2019 has been recognised as revenue for the year ended March 31, 2020.

c) There is no revenue recognised in the reporting period for performance obligations satisfied in previous periods.

d) Transaction price allocated to the remaining performance obligations

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 31.77 Million (Previous Year: Rs. 102.41 Million) which is expected to be recognised as revenue in the next year. Remaining performance obligation estimates are subject to change and are affected by several factors, including adjustments for currency.

e) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and in the case of fixed bid contracts with an original expected project duration of less than one year.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

f) Revenue as per contracted price with the customers

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contracts with customers (as per the Statement of Profit and Loss)	2,694.04	2,827.73
Add: Discounts	38.94	15.55
Total	2,732.98	2,843.28

Note 24: Other Income

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
On Fixed deposits and others	14.10	14.35
On Other financial assets carried at amortised cost	0.85	1.11
On Income Tax Refund	0.05	-
Export Incentives (Net)	8.14	34.44
Profit on Sale of Property, Plant & Equipment	0.23	-
Provision no longer required written back	-	4.63
Provision for expected credit loss written back	0.32	1.00
Net foreign exchange gain	43.97	-
Total	67.66	55.53

Note 25: Employee Benefits Expense

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	1,248.01	1,159.38
Contribution to provident and other funds (Refer Note 29 (b) (i))	65.20	58.43
Gratuity expense (Refer Note 29 (b) (ii))	11.46	11.31
Staff welfare expense	22.48	20.65
Total	1,347.15	1,249.77

Note 26: Finance Cost

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Income Tax	0.48	0.67
Interest on Lease liability	10.60	-
Total	11.08	0.67

Note 26.1 : The Interest on lease liability has arisen on account of implementation of Ind AS 116 "Leases".

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 27: Other Expenses

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Travel and conveyance	137.10	148.82
Net foreign exchange loss	-	26.94
Sales commission	0.16	5.07
Onsite service expenses	552.18	708.62
Professional fees	17.17	34.22
Software expenses	33.21	34.13
Rent expenses for Short term and low value leased assets (Refer Note 35)	3.08	27.21
Marketing and selling expenses	4.76	10.67
Repairs & maintenance		
Buildings	18.40	16.94
Plant and machinery	2.11	1.23
Others	11.87	5.40
Power and fuel	16.69	15.75
Rates and taxes	12.07	1.75
Loss on sale of Property, Plant and Equipment	-	0.78
Communication expenses	8.16	13.70
Insurance	10.28	9.36
Training and recruitment	10.90	8.49
Corporate Social Responsibility Expense (Refer Note 40)	7.83	7.97
Audit fees (Refer Note 38)	2.88	1.75
Directors sitting fees	1.60	1.74
Commission to Non-Executive directors	4.50	4.55
Miscellaneous expenses	3.18	12.71
Total	858.13	1,097.79

Note 28: Earnings Per Share

a) Basic Earnings Per Share

The calculation of Basic Earnings Per Share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding.

(i) Profit attributable to equity shareholders (basic)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year, attributable to equity shareholders of the company	349.49	314.38
Total	349.49	314.38

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(ii) Weighted average number of equity shares (basic)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of equity shares at the beginning of the year	10,713,381	10,710,381
Add: Weighted average of shares issued during the year	-	2,729
Less: Weighted average of shares bought back during the year	351,339	
Total weighted average number of equity shares for calculating basic EPS	10,362,042	10,713,110
Earnings Per Share - Basic (in Rs.) (Face Value Rs. 10/- per share)	33.73	29.35

b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

(i) Profit attributable to equity shareholders (diluted)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year, attributable to equity shareholders of the Company	349.49	314.38
Total	349.49	314.38

(ii) Weighted average number of equity shares (diluted)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares outstanding (basic)	10,362,042	10,713,110
Add: Effect of dilutive stock option	-	2,314
Weighted average number of equity shares for calculating diluted EPS	10,362,042	10,715,424
Earnings Per Share - Diluted (in Rs.) (Face Value Rs. 10/- per share)	33.73	29.35

Note 29: Disclosure as required under Ind AS 19 - 'Employee Benefits'

a) Compensated Absences

The Company provides for the encashment of leave or leave with pay to offshore employees. The employees are entitled to accumulate leave subject to certain limits, for future availment/encashment. The liability is provided based on the number of days of unutilised days of leave at each Balance Sheet date on the basis of year-end actuarial valuation using projected unit credit method. The scheme is unfunded.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Liability at the beginning of the year	10.19	13.30
Leave salary cost accounted for the year (Net)	4.26	(3.11)
Total liability as at the end of the year	14.45	10.19

Note 29.1: Refer Note 18 for Long term benefits and Note 21 for Short term benefits.

b) Post-employment obligations

(i) Defined contribution plan - Provident Fund & Social Security Schemes Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution accounted for the year (includes EDLI Charges and Employer's Contribution to Employee's Pension Scheme, 1995) (Refer Note 25)	65.20	58.43
Total	65.20	58.43

(ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC) as per New Group Gratuity Cash Accumulation Plan for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority (IRDA) Regulations. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Defined Benefit Plan - Gratuity Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Change in Present Value of Defined Benefit Obligation		
Present Value of Defined Benefit Obligation at the beginning of the year	86.22	82.09
Interest cost	5.53	5.46
Current service cost	11.75	11.32
Benefits paid	(15.88)	(15.46)
Past Service Cost	-	0.21
Actuarial (Gain)/Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/Loss on obligations- due to change in financial assumptions	4.05	1.07
Actuarial (Gain)/Loss on obligations- due to change in experience	2.75	1.53
Present value of obligation as at end of the year	94.42	86.22

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Defined Benefit Plan - Gratuity (Contd.)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
ii) Change in fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	84.82	75.92
Expected return on plan assets	5.82	5.68
Contributions made	11.00	18.46
Benefits paid	(15.88)	(15.46)
Return on plan assets, excluding amounts included in interest (expense)/ income	0.56	0.22
Fair value of plan assets at the end of the year	86.32	84.82
iii) Amount recognized in the Balance Sheet		
Present value of the obligation as at end of the year	94.42	86.22
Fair value of plan assets as at end of the year	86.32	84.82
Net obligation as at end of the year	8.10	1.40
Amount recognized in the Balance Sheet	8.10	1.40
Net asset/(liability) recognized - Current	8.10	1.40
Net asset/(liability) recognized - Non-current (Refer Note (i) below)	-	-
iv) Expenses recognized in the Statement of Profit and Loss for the year		
Current service cost	11.75	11.32
Past service cost	-	0.21
Net Interest on Net Defined benefit obligations	(0.29)	(0.22)
Total expense included in employee benefit expenses	11.46	11.31
v) Recognized in Other Comprehensive Income for the year		
Actuarial (Gain)/Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/Loss on obligations- due to change in financial assumptions	4.05	1.07
Actuarial (Gain)/Loss on obligations- due to change in experience	2.74	1.53
Remeasurement - (return)/loss on plan assets excluding amount included in net interest income	(0.55)	(0.22)
Recognized in Other Comprehensive Income	6.24	2.38

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Defined Benefit Plan - Gratuity (Contd.)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
vi) Actuarial assumptions		
Discount rate - Current	6.15%	7.07%
Expected rate of return on plan assets	6.15%	7.07%
Salary Escalation - Current	7.00%	7.00%
Attrition rate	18.00%	18.00%
vii) Sensitivity Analysis		
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
Impact on defined benefit obligation		
Delta effect of +0.5% Change in Rate of discounting	92.18	84.26
Delta effect of -0.5% Change in Rate of discounting	96.78	88.28
Delta effect of +0.5% Change in Rate of Salary Escalation	96.78	88.29
Delta effect of -0.5% Change in Rate of Salary Escalation	92.13	84.20
Delta effect of +0.5% Change in Rate of Employee turnover	94.23	86.15
Delta effect of -0.5% Change in Rate of Employee turnover	94.62	86.30
Methodology adopted for asset liability management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method
Refer Note 29.2 (ii) below		
viii) Maturity profile of defined benefit obligation		
The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of gratuity is as follows:		
		Rs. In Millions
Projected benefits payable in future years from the date of reporting	For the year ended March 31, 2020	For the year ended March 31, 2019
1st Following year	14.96	14.14
2nd Following year	14.29	13.77
3rd Following year	13.09	12.68
4th Following Year	11.99	11.43
5th Following year	11.04	10.23
Sum of years 6 to 10 years	37.40	35.89
ix) Category of Plan assets		
Funds managed by the Insurer	100%	100%
x) Risk exposure		
This does not apply to the Company since it invests in the traditional plan of LIC, for which the underlying assets are not known to the policy holders.		

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note: 29.2:

(i) The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute to the defined benefit plans based on short term expected pay-outs in line with the actuary's recommendations.

(ii) Usefulness & methodology adopted for sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not to be true on a different count. This only signifies the change in the liability if the difference between the assumed & the actual is not following the parameters of the sensitivity analysis.

Note 30: Financial Instruments- Fair Values and Risk Management

a) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rs. In Millions

As at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through OCI*	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Security deposits - non current	-	-	17.03	17.03	-	17.83	-	17.83
Trade receivables	-	-	644.84	644.84	-	-	-	-
Cash and cash equivalents	-	-	617.38	617.38	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	82.55	82.55	-	-	-	-
Security deposits - current	-	-	4.82	4.82	-	-	-	-
Interest accrued on fixed deposits	-	-	0.76	0.76	-	-	-	-
Export Incentives Receivable	-	-	34.44	34.44	-	-	-	-
Unbilled Revenue	-	-	23.68	23.68	-	-	-	-
Total	-	-	1,425.50	1,425.50	-	17.83	-	17.83
Financial Liabilities:								
Lease Liability - Non Current	-	-	65.38	65.38	-	-	-	-
Lease Liability - Current	-	-	18.75	18.75	-	-	-	-
Trade payables	-	-	295.68	295.68	-	-	-	-
Other current financial liabilities	-	-	196.16	196.16	-	-	-	-
Total	-	-	575.97	575.97	-	-	-	-

* OCI represents Other Comprehensive Income

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 30: Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2019	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through OCI*	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Security deposits - non current	-	-	8.79	8.79	-	8.82	-	8.82
Trade receivables	-	-	300.24	300.24	-	-	-	-
Cash and cash equivalents	-	-	831.65	831.65	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	8.06	8.06	-	-	-	-
Security deposits - current	-	-	26.34	26.34	-	-	-	-
Interest accrued on fixed deposits	-	-	0.11	0.11	-	-	-	-
Export Incentives Receivable	-	-	50.44	50.44	-	-	-	-
Unbilled Revenue	-	-	6.16	6.16	-	-	-	-
Other receivables	-	-	0.80	0.80	-	-	-	-
Total	-	-	1,232.59	1,232.59	-	8.82	-	8.82
Financial Liabilities:								
Trade payables	-	-	184.02	184.02	-	-	-	-
Other current financial liabilities	-	-	232.63	232.63	-	-	-	-
Total	-	-	416.65	416.65	-	-	-	-

* OCI represents Other Comprehensive Income

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data the instrument is included in Level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the current year and previous year.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 30: Financial Instruments- Fair Values and Risk Management (Contd.)

b) Measurement of Fair Value

The Company uses Discounted Cash Flow valuation technique (in relation to Fair Value of asset measured at amortised cost) which involves determination of present value of expected receipt/payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

c) Financial Risk Management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit and liquidity, which may impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

(i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty's failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk of existing customer is controlled by continuous monitoring of the collection trend of each customer on a periodical basis. With respect to a new customer, the Company uses external/internal sources to assess the potential customer's credit quality.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Company generally invests in Fixed deposits with banks having high credit ratings.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 1,425.50 Million (Previous Year: Rs. 1,232.59 Million) being the total of the carrying amount of loans, trade receivables, cash and cash equivalents, other balances with banks, loans and other financial assets.

Trade Receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each Balance Sheet Date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience adjusted for forward-looking information. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 30: Financial Instruments- Fair Values and Risk Management (Contd.)

The following table gives the details in respect of the amount and percentage of trade receivables from major customers:

Particulars	Rs. In Millions	
	As at March 31, 2020	As at March 31, 2019
Trade receivables from major customers	131.58	139.31
Percentage of Trade Receivables from major customers	20%	46%

The Company has computed the credit loss allowance based on the Expected Credit Loss model which excludes transactions with its wholly owned subsidiaries.

The movement in the expected credit loss allowance is as follows:

Particulars	Rs. In Millions	
	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	0.34	1.34
Impairment loss (reversed)	(0.32)	(1.00)
Balance at end of the year	0.02	0.34

(ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD, EURO and GBP against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 30: Financial Instruments- Fair Values and Risk Management (Contd.)

Exposure in Foreign Currency (FCY) - Unhedged

Particulars	FCY	March 31, 2020		March 31, 2019	
		Amount in FCY (in Millions)	Amount (Rs. in Millions)	Amount in FCY (in Millions)	Amount (Rs. in Millions)
Trade receivables	GBP	0.98	91.03	0.73	65.72
Trade receivables	USD	2.64	198.82	0.93	64.56
Trade receivables	EUR	2.57	213.56	1.52	117.87
Cash and Cash Equivalents	GBP	1.06	98.95	2.62	237.49
Cash and Cash Equivalents	USD	0.75	56.18	0.68	46.93
Cash and Cash Equivalents	EUR	2.59	215.26	4.86	377.57
Loans	USD	- *	0.01	0.20	15.54
Other Current Financial Assets	USD	0.48	36.28	0.73	50.44
Trade Payables	GBP	-	-	0.01	0.54
Trade Payables	USD	1.17	88.14	0.11	7.44
Trade Payables	EUR	0.18	14.60	0.03	2.24
Other Current Financial Liabilities	GBP	-	-	0.08	7.49
Other Current Financial Liabilities	EUR	0.34	28.37	0.49	37.95
Other Current Financial Liabilities	USD	0.03	2.13	0.08	5.51

*Denotes amounts in the respective foreign currency less than 5,000/-.

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Rs. In Millions	
	Impact on profit after tax For the year ended March 31, 2020	Impact on profit after tax For the year ended March 31, 2019
GBP Sensitivity		
INR/GBP - Increased by 5%*	9.50	14.76
INR/GBP - Decreased by 5%*	(9.50)	(14.76)
USD Sensitivity		
INR/USD - Increased by 5%*	10.05	8.23
INR/USD - Decreased by 5%*	(10.05)	(8.23)
EUR Sensitivity		
INR/EUR - Increased by 5%*	19.29	22.76
INR/EUR - Decreased by 5%*	(19.29)	(22.76)

* Holding all other variables constant

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 30: Financial Instruments- Fair Values and Risk Management (Contd.)

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to investments which are primarily short-term fixed deposits, which do not expose it to significant interest rate risk.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Rs. In Millions

As at March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Other non-current financial liabilities - Lease Liability	65.38	65.38	-	14.44	50.94	-
Current						
Trade Payables	295.68	295.68	295.68	-	-	-
Other Current Financial Liabilities - Lease Liability	18.75	18.75	18.75	-	-	-
Other Current Financial Liabilities-Others	196.16	196.16	196.16	-	-	-

Rs. In Millions

As at March 31, 2019	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Trade Payables	184.02	184.02	184.02	-	-	-
Other Current Financial Liabilities	232.63	232.63	232.63	-	-	-

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 31: Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders. The Company is not subject to any externally imposed capital requirements.

Note 32: Employee Stock Option Plan

- a) The Company provides share based payment schemes to its employees. During the year ended March 31, 2019, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

On April 29, 2011 the Board of Directors approved the equity settled ESOP Scheme 2011 (Scheme 2011) for issue of stock options to the key employees and directors of the Company setting aside 1,005,100 options under this scheme. According to the Scheme 2011, the employees selected by the Remuneration Committee from time to time would be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 3 years. The contractual life (comprising vesting period and exercise period) of options granted is 8 years. The other relevant terms of the grant are as below:

Particulars	Options granted on October 25, 2012
Vesting period	3 years
Exercise period	5 years
Exercise price	Rs. 114.70
Market price on the date of grant	Rs. 114.70

The details of activity under the Scheme 2011 are summarized below:

Particulars	March 31, 2020		March 31, 2019	
	No. of options	Weighted Average Exercise Price WAEP (Rs.)	No. of options	Weighted Average Exercise Price WAEP (Rs.)
Outstanding at the beginning of the year	-	-	3,000	114.70
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	3,000	114.70
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Weighted average fair value of stock options granted during the year - No Options have been granted during the current year and the previous year.

- b) The Holding Company, Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany had granted 20,000 stock options to senior employees of the Group in March, 2016. These options were to vest over a period of four years from the date of the grant i.e. March 18, 2016 and could be exercised within five years from the end of the vesting period i.e. May 31, 2025. The Holding Company did not charge any cost for this benefit.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

During the Financial Year 2017-18 the shares of Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), got acquired by Assystems Services Deutschland GmbH including the stock options. This resulted in vesting of the aforementioned options on an accelerated basis and the stock options were exercised and settled in the previous year. There were no outstanding options at the end of the previous year and hence no contractual life of options outstanding at the end of March 31, 2018 and March 31, 2019. The opening balance of stock options as at April 01, 2017 and the options exercised during the previous Financial Year 2017-18 were 20,000 stock options. The weighted average price as at April 01, 2017 was Rs. 418.27 and the exercise price was Rs. 744.98.

Fair Value of options granted

The fair value of the option at the grant date of Rs. 65.14 (GBP 0.685) has been determined as the difference between the weighted average of the share price at the date of grant as reduced by the exercise price.

The Exercise price of the stock option at the date of grant by Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany was determined as follows:

The Option Price was based on the average (mean) of the closing prices for Depository Interests of the Company (ISIN DE 005493514) on the AIM segment of the London Stock Exchange (hereinafter the "AIM Trading") determined in British Pound ("GBP") on the last 20 trading days preceding the day of the offer to subscribe ("Reference Price") minus a deduction of 15% from the Reference Price.

These stock options were accounted for as an equity settled share based payment transaction in the financial statements of the Company in accordance with Ind AS 102 'Share Based Payments'.

Note 33: Buy back

The Shareholders approved the proposal of Buyback of Equity Shares recommended by the Board of Directors, in its meeting held on January 31, 2019, through the postal ballot that concluded on March 28, 2019.

The buyback was offered to all eligible Equity Shareholders of the Company (other than the Promoters, the Promoter Group and Persons in control of the Company) under the tender offer route on a proportionate basis. The tender period for the buyback opened on May 30, 2019 and closed on June 13, 2019.

The Company has bought back and extinguished 4,60,896 Equity Shares at an average buyback price of Rs. 550/- per equity share, constituting approximately 4.30% of the pre-buyback paid-up Equity Share Capital of the Company. The buyback resulted in Rs. 261.11 Million (including Rs. 7.6 Million towards transaction cost of buy-back) cash outflow. The Company funded the buyback from its free reserves (i.e. Securities Premium and Retained Earnings).

The Company has in accordance with the provisions of Section 69 of the Companies Act, 2013, created 'Capital Redemption Reserve' amounting to Rs. 4.61 Million equal to the nominal value of the shares bought back as an appropriation from Retained Earnings.

Note 34: Asset pledged as security

The Company has a bank guarantee facility with a bank which is secured by Fixed deposits (Previous year secured by hypothecation of book debts) of the Company, both present and future. There is no outstanding amount due on this account as at the end of the current year and the previous year.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 34: Asset pledged as security (Contd.)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Financial Assets		
First Charge		
Current Assets - Fixed Deposits with banks	10.00	-
Current Assets - Trade Receivables	-	254.94
Total assets pledged as security	10.00	254.94

Note 35: Disclosure required under Ind AS 116 "Leases"

The Company has entered into operating leases for its office buildings. These leases have terms of 3 to 6 years. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2020 is Rs. 84.13 Million.

The Company has used modified retrospective approach as per para C5(b) of Ind AS 116. Accordingly, as per para C7 of Ind AS 116, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 116 is Rs. Nil and hence there is no adjustment on the opening balance of the retained earnings.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

The Company used a practical expedient and did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The lease payments associated with these amounting to Rs. 3.08 Million are recognised as expenses on a straight line basis over the lease term.

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs. 106.18 Million and related accumulated depreciation amounting to Rs. 23.24 Million (refer Note 3).

The movement in Lease Liabilities during the year ended March 31, 2020 is as follows: Rs. In Millions

Liability as at April 1, 2019	101.30
Interest expenses	10.60
Payment of Lease Liabilities	(27.77)
Liability as at March 31, 2020	84.13

The Lease Liabilities amounting to Rs. 84.13 Million comprises of Non Current Lease liabilities of Rs. 65.38 Million (refer Note 17) and current lease liability of Rs. 18.75 Million (refer Note 19) as at March 31, 2020. The contractual maturities of lease liabilities as of March 31, 2020 is disclosed in Note 30.

The incremental borrowing rates derived by a valuer, on the basis of the borrowing rate for each lease contract for the remaining life of the lease contract, adjusted with the credit profile of the Company, are used for each of the office buildings separately and the average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application ranges from 12.17% to 12.59%.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Reconciliation between operating lease commitments disclosed in financials as at March 31, 2019 applying Ind AS 17 (discounted) and lease liabilities recognised in the statement of financial position as at April 1, 2019 i.e. date of initial application.

	Rs. In Millions
Opening Balance of Lease as at March 31, 2019	63.54
Additional Lease commitments based on expected extension of Lease term	37.76
Lease liability as at April 1, 2019	101.30

Note: The Opening balance of lease excludes the properties which are not considered as lease as per Ind AS 116.

Note 36: Contingent Liabilities and Commitments

	Rs. In Millions	
Particulars	As at March 31, 2020	As at March 31, 2019
a) Contingent Liabilities		
(i) Claims against the Company not acknowledged as debt :		
Service Tax related matters	786.38	786.38
Income Tax related matters	116.07	104.19
(ii) Guarantees		
Counter Guarantees issued to the bank	3.09	5.04
b) Commitments	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1.67	0.46

The Service Tax Authorities had made a demand for Rs.329.14 Million along with interest and penalty for an equivalent amount, towards tax leviable for certain services rendered by the Company for the period April, 2011 to March, 2016. The Service Tax Authorities had also made a demand for Rs. 126.90 Million along with interest and penalty of Rs.1.2 Million towards tax leviable for certain services rendered by the Company for the period April, 2016 to June, 2017. The Company has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) for both the demands and the Management expects it's position to be upheld by the Authorities in respect of both the demands.

Contingent liabilities include demand from the Income tax authorities for payment of additional tax of Rs.114.89 Million for the fiscal years 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The tax demand is mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A/10AA of the Income Tax Act and also other expenses disallowed. The Company has filed appeals before CIT (Appeals), ITAT and Madras High Court. The Company has also paid an amount of Rs.32.73 Million (after adjusting the refund of Rs.10.74 Million related to earlier years), towards the outstanding demand (under protest). The Management believes that its position in respect of all the years will be upheld by the Authorities.

Note 37: Micro and Small Enterprises

Disclosure of trade payables and other liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small & Medium Enterprises Development (MSMED Act), 2006". There is no amount overdue to Micro & Small Enterprises on account of principal amount together with interest.

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 37: Micro and Small Enterprises (Contd.)

Rs. In Millions

Particulars	Rs. In Millions	
	As at March 31, 2020	As at March 31, 2019
a) The Principal amount and interest due thereon remaining unpaid to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006). Principal	-	-
Interest	-	-
b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d) Amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
e) Amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 38: Amount paid to Auditors

Rs. In Millions

Particulars	Rs. In Millions	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Payments to the Auditors as:		
a) Auditor	1.45	1.15
b) For Other Services	1.13	0.30
c) For Reimbursement of expenses	0.30	0.30
Total	2.88	1.75

Note 39: Foreign Exchange Difference

The amount of exchange gain included in the Statement of Profit & Loss is Rs. 43.97 Million (Previous Year: Loss of Rs. 26.94 Million).

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Note 40: Corporate Social Responsibility

The Company has spent Rs. 7.83 Million during the current year (Previous Year: Rs. 7.97 Million) as per provisions of Section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities grouped under Note 27 'Other Expenses'.

a) The Gross amount required to be spent by the Company during the year is Rs. 7.83 Million (Previous Year: Rs. 7.97 Million).

b) Amount spent during the year on:

Particulars	Rs. In Millions		
	Amount spent in cash	Amount yet to be paid in cash	Total Amount
Year ended March 31, 2020			
(i) Construction/ Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	7.83	-	7.83
Total	7.83	-	7.83
Year ended March 31, 2019			
(i) Construction/ Acquisition of any Asset	-	-	-
(ii) On purposes other than (i) above	7.97	-	7.97
Total	7.97	-	7.97

Note 41: Segment Information

The Company publishes these Standalone Financial Statements along with the Consolidated Financial Statements. In accordance with the Ind AS 108 'Operating Segments', the Company has disclosed the segment information in the Note 37 of the Consolidated Financial Statements.

Note 42: Disclosures as required under Ind AS 24 'Related Party Disclosures'

a) Related Parties and their relationship

(i) Ultimate Holding Entities:

Ardian LBO Fund VI B

Assystem SA, France

(ii) Holding Company:

Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)

(iii) Subsidiaries:

Name of Subsidiary	Country	% Holding as at March 31, 2020	% Holding as at March 31, 2019
Expleo Solutions Pte. Ltd.	Singapore	100%	100%
Expleo Solutions Inc. (formerly known as SQS BFSI Inc.)	United States of America	100%	100%
Expleo Solutions UK Ltd.	United Kingdom	100%	100%
Expleo Solutions FZE, (formerly known as SQS BFSI FZE,)	United Arab Emirates	100%	100%

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(iv) Key Management Personnel (KMP)

Aarti Arvind - Managing Director & CEO (upto August 31, 2018)
Balaji Viswanathan - Managing Director & CEO (w.e.f. September 1, 2018)
K. Ramaseshan - Executive Director (upto July 17, 2018) and Chief Financial Officer (CFO) (upto September 21, 2018)
David Bellin - Chairman & Non-Executive Director (upto May 4, 2018)
René Gawron - Chairman and Non-Executive Director (Chairman w.e.f. January 31, 2019, upto October 15, 2019)
Prof. K. Kumar - Deputy Chairman & Independent Director
Prof. S. Rajagopalan - Independent Director
Lilian Jessie Paul - Independent Director
Rajiv Kuchhal - Independent Director
Ulrich Bäumer - Independent Director
Ralph Franz Gillessen - Non-Executive Director (w.e.f. August 9, 2018)
Diederik Vos- Chairman & Non-Executive Director (Chairman w.e.f May 04, 2018, upto January 2, 2019) (Non-Executive Director w.e.f. October 26, 2017 upto January 2, 2019)
Olivier Aldrin- Non-Executive Director (w.e.f January 31, 2019)
Desikan Narayanan - Chief Financial Officer (CFO) (w.e.f. September 24, 2018)
Phani Thangirala - Senior Director - BFSI (w.e.f April 1, 2019)

(v) Fellow Subsidiaries:

Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)
Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges.mbH, Austria)
Expleo Technology UK Limited (formerly known as SQS Group Limited)
Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)
Expleo Technology Egypt (formerly known as SQS Software Quality Systems Egypt S.A.E)
Expleo Netherlands B.V. (formerly known as SQS Nederland)
Expleo South Africa Holding (PTY) Limited (formerly known as SQS Group Limited, South Africa)
Expleo Stockholm AB
SQS Group Ltd, Belfast, Ireland

(vi) Post Employment benefit plan:

Expleo Solutions Employees' Group Gratuity Scheme (formerly known as SQS India BFSI Ltd Group Gratuity Scheme)

(vii) Consolidating Company

Expleo Group SAS, France

(viii) Entities under common control

Expleo France SASU

Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited)

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties:

Rs. In Millions				
Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Income				
Income from the service rendered	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany	7.61	24.52
	Consolidating Company	Expleo Group SAS, France	2.12	-
	Subsidiary	Expleo Solutions Pte. Ltd.	135.01	219.16
	Subsidiary	Expleo Solutions UK Ltd.	620.64	994.59
	Subsidiary	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	79.48	124.69
	Fellow Subsidiary	Expleo Stockholm AB	1.31	-
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges. mbH, Austria)	165.66	151.13
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	193.35	120.24
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	2.81	4.05
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	-	0.03
	Fellow Subsidiary	Expleo South Africa (PTY) Limited (formerly known as SQS Group Limited, South Africa)	16.19	14.63

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties: (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Expenses				
Managerial remuneration	KMP	Aarti Arvind *	-	6.91
	KMP	Balaji Viswanathan	16.31	9.94
	KMP	K. Ramaseshan	-	7.66
	KMP	Desikan Narayanan	6.60	3.99
	KMP	Phani Thangirala	10.08	9.48
Directors' Sitting Fees and Commission	KMP	Prof. K. Kumar	1.40	1.39
	KMP	Prof. S. Rajagopalan	1.32	1.41
	KMP	Rajiv Kuchhal	1.26	1.25
	KMP	David Bellin	-	0.04
	KMP	Ulrich Bäumer	0.96	1.01
	KMP	Lilian Jessie Paul	1.16	1.19
Expenses for services rendered	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany	1.40	-
	Subsidiary	Expleo Solutions Pte. Ltd.	113.99	142.15
	Subsidiary	Expleo Solutions UK Ltd.	197.45	486.94
	Subsidiary	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	35.77	112.54
	Subsidiary	Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE)	204.77	140.33
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	16.31	12.69
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	10.36	11.97
Entity under common control	Expleo Services SASU, France	0.06	-	

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties: (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Other Transactions				
Contribution paid to the Group Gratuity Scheme	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme (formerly known as SQS India BFSI Ltd Group Gratuity Scheme)	11.00	15.00
Final Dividend Paid	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany	-	115.18
Buy back of shares	KMP	Rajiv Kuchhal	4.86	-
Cost Reimbursement Received	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany	1.46	2.08
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	0.12	0.40
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges. mbH, Austria)	8.50	11.45
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	2.31	1.04
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	-	0.11
	Fellow Subsidiary	Expleo South Africa Holding (PTY) Limited (formerly known as SQS Group Limited, South Africa)	2.28	1.43
	Fellow Subsidiary	SQS Group Ltd, Belfast, Ireland	-	1.30

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties: (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost Reimbursement Paid	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany	0.37	-
	Subsidiary	Expleo Solutions UK Ltd.	90.04	44.05
	Subsidiary	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	1.30	8.03
	Subsidiary	Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE)	-	1.82
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	3.86	5.68
	Entity under common control	Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited)	2.36	0.86

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
Outstanding Balances Amounts Receivable from	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany	4.79	0.84
	Subsidiary	Expleo Solutions UK Ltd.	56.43	45.64
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	60.73	12.00
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges. mbH, Austria)	51.31	41.58
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	0.75	0.95

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties: (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
Amounts Payable to	Fellow Subsidiary	Expleo South Africa (PTY) Limited (formerly known as SQS Group Limited, South Africa)	12.08	0.30
	Subsidiary	Expleo Solutions Pte. Ltd.	76.07	13.87
	Subsidiary	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	87.33	69.78
	Subsidiary	Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE)	89.90	76.89
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	6.76	5.96
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	2.09	1.34
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges. mbH, Austria)	1.86	-
	Entity under common control	Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited)	0.17	0.80
Provision for expenses	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme (formerly known as SQS India BFSI Ltd Group Gratuity Scheme)	8.11	1.40
	KMP	Balaji Viswanathan	3.39	2.76
	KMP	Desikan Narayanan	1.20	1.07
	KMP	Phani Thangirala	0.52	0.50
	KMP	Prof. K. Kumar	0.90	0.91
	KMP	Prof. S. Rajagopalan	0.90	0.91
	KMP	Rajiv Kuchhal	0.90	0.91
	KMP	Ulrich Bäumer	0.90	0.91
	KMP	Lilian Jessie Paul	0.90	0.91

Notes to the Standalone Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties: (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
Investments	Subsidiary	Expleo Solutions Pte. Ltd.	2.66	2.66
	Subsidiary	Expleo Solutions UK Ltd.	24.17	24.17
	Subsidiary	Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)	4.62	4.62
	Subsidiary	Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE)	8.70	8.70

* includes perquisite value of motor car and other benefits as per the service contract including incentive.

Details of Compensation paid to KMP

Rs. In Millions

Particulars	Nature of Relationship	Details	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee benefit expenses	KMP	Short term benefits	32.99	28.44
		Post employment benefits**	-	-
		Other long term benefits**	-	-
		Termination benefits	-	-
		Share based payments	-	-
		Total		32.99

** Remuneration to Key Managerial Personnel does not include charge for gratuity and compensated absences, as employee-wise breakup is not available.

Note 43: Disclosure made in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs. In Millions

Particulars	Name of the Company	Amount outstanding as on March 31, 2020	Maximum amount of outstanding during the year
a) Loans and advances			
i) Loans and advances in nature of loans made to Subsidiary Company	None	Nil	Nil
ii) Loans and advances in nature of loans made to Associate Company	None	Nil	Nil

Notes to the Standalone Financial Statements for the year ended March 31, 2020

Rs. In Millions

Particulars	Name of the Company	Amount outstanding as on March 31, 2020	Maximum amount of outstanding during the year
iii) Loans and advances in the nature of loans made to firms/ companies in which directors of the Company are interested	None	Nil	Nil
b) Investment by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.	None	Nil	Nil

Note 44: Disclosure under section 186(4) of the Companies Act, 2013

Details of investments made are disclosed under Note 4. There are no loans or guarantees given by the Company.

Note 45: Previous Year's Figures

Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current year's classification.

Signatures to the Notes to the Standalone Financial Statements

For and on behalf of the Board

Prof. K. KUMAR

Deputy Chairman & Director

DIN : 02343860

Place : Bengaluru

Date : May 28, 2020

BALAJI VISWANATHAN

Managing Director & CEO

DIN : 06771242

Place : Bengaluru

Date : May 28, 2020

DESIKAN NARAYANAN

Chief Financial Officer

Place : Chennai

Date : May 28, 2020

S. SAMPATH KUMAR

Company Secretary & Compliance Officer

ICSI Membership No. F3838

Place : Chennai

Date : May 28, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Expleo Solutions Limited (formerly known as SQS India BFSI Limited) Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Expleo Solutions Limited (formerly known as SQS India BFSI Limited)** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies ("the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
1. Revenue Recognition - Accuracy of recognition of revenue for fixed-price contracts on percentage of completion method involving critical estimates.	
The Group derives revenue from software services which involve primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers include fixed-price contracts, revenue whereof is recognised on proportionate completion method on the basis of the work completed.	Our procedures included: Assessment of the appropriateness of the Group's revenue recognition policy for fixed-price contracts to ensure that it meets the recognition and measurement principles enumerated in Ind AS 115 including disclosures in the financial statements.

Key Audit Matter Description	Our Response
<p>The use of proportionate completion method requires the Group to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended.</p> <p>These estimates of efforts or costs to be expended has a high inherent uncertainty which is based on the judgements made by the Management in ascertaining the costs and the efforts required to complete the remaining contractual performance obligations. In view of the same, there is a risk of revenue for the year being misstated due to incorrect recognition of accrued or deferred revenue as a result of using overstated / understated estimates of the costs and efforts to complete the remaining contractual performance obligations.</p> <p>(Refer Note 2(b)(i) and Note 2(c) to the Consolidated Financial Statements)</p>	<p>Obtained an understanding of the process and related controls for appropriate recognition of revenue. Evaluating the design and implementation, and testing the operating effectiveness of such controls over the revenue recognition and measurement criteria.</p> <p>Tested fixed price contracts to assess whether the revenues recognised to date were appropriate; this work included reviewing stage of completion by reference to post year end data and understanding budget versus actual variances where applicable and the impact on revenue to be recognised by reference to the stage of completion.</p> <p>We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognised in the appropriate period.</p> <p>Evaluated the judgements made through discussions with project staff.</p> <p>Assessing the adequacy of the Group's disclosures about the degree of estimation involved in revenue recognition.</p>
2. Direct Tax Provisions - Uncertain Tax Positions	
<p>The Group has extensive international operations and in the normal course of the business, the Management makes significant judgements and estimates in relation to transfer pricing tax issues and in assessing tax exposures in each jurisdiction, many of which require interpretation of local laws, including amount expected to be paid/recovered for uncertain tax positions.</p> <p>Where the amount of tax payable is uncertain, the Group establishes provisions based on management's judgement of the probable amount of liability. This is a key judgement on account of the Group operating in a number of varying tax jurisdictions, the complexity of transfer pricing and other international tax legislations.</p> <p>Given this judgement, there is a risk that tax provisions are misstated.</p>	<p>Our procedures included:</p> <p>An understanding of:</p> <ul style="list-style-type: none"> • the Group's tax strategy and transfer pricing policy; • the methodology for the calculation of the tax charge particularly in relation to any changes implemented during the current financial year; and • management's controls over tax reporting. <p>We assessed the appropriateness of the tax provisions created by the Group and their use of estimates and judgements by involving our inhouse tax specialist team, having discussions with the Company's management, assessed recent pronouncements affecting the methodology for calculation of tax charge and copies of external tax advice reports related to tax treatments applied and the corresponding provisions recorded.</p> <p>We have also evaluated whether the liabilities and potential exposures were appropriately disclosed in the Financial Statements.</p>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report namely, the Chairman's Overview, the Performance Highlights – Decade at a Glance (on a consolidated basis), the Director's Report including annexures to the Director's Report, the Management Discussion and Analysis, Business Responsibility Report and the Corporate Governance Report etc., but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements in terms of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 35(a) to the consolidated Ind AS financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

Partner

Membership Number 127355

UDIN: 20127355AAAACE3066

Place: Mumbai

Date: May 28, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2020.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Expleo Solutions Limited (formerly known as SQS India BFSI Limited)** ("the Holding Company"), as at March 31, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements

includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

Partner

Membership Number 127355

UDIN: 20127355AAAACE3066

Place: Mumbai

Date: May 28, 2020

Consolidated Balance Sheet as at March 31, 2020

Particulars	Note No.	Rs. In Millions	
		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	259.54	186.68
Intangible Assets	3	0.34	1.97
Financial Assets			
Loans	4	17.31	8.79
Deferred Tax Assets (Net)	5	13.82	25.38
Income Tax Assets (Net)	6	1.34	9.32
Other Non-Current Assets	7	75.11	66.16
Total Non-Current Assets		367.46	298.30
Current Assets			
Financial Assets			
(i) Trade Receivables	8	759.04	457.24
(ii) Cash and Cash Equivalents	9	789.92	978.92
(iii) Bank Balances other than (ii) above	10	82.55	8.06
(iv) Loans	11	52.86	74.38
(v) Other Current Financial Assets	12	60.41	76.63
Other Current Assets	13	30.72	29.64
Total Current Assets		1,775.50	1,624.87
TOTAL ASSETS		2,142.96	1,923.17
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	14	102.52	107.13
Other Equity	15	1,419.50	1,281.32
Total Equity		1,522.02	1,388.45
LIABILITIES			
Non-Current Liabilities			
Other Non-Current Financial Liabilities	16	65.38	-
Provisions	17	18.18	12.91
Total Non-Current Liabilities		83.56	12.91
Current Liabilities			
Financial Liabilities			
(i) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and		3.96	0.10
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		114.16	80.88
(ii) Other Current Financial Liabilities	18	286.88	318.74
Other Current Liabilities	19	74.67	63.66
Provisions	20	4.91	4.70
Current Tax Liabilities (Net)	21	52.80	53.73
Total Current Liabilities		537.38	521.81
TOTAL EQUITY AND LIABILITIES		2,142.96	1,923.17
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our Report of even date.

Signatures to the Consolidated Balance Sheet and Notes to Consolidated Financial Statements

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS

For and on behalf of the Board

Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA

Partner

Membership Number 127355

Place : Mumbai

Date : May 28, 2020

Prof. K. KUMAR

Deputy Chairman & Director

DIN : 02343860

Place : Bengaluru

Date : May 28, 2020

BALAJI VISWANATHAN

Managing Director & CEO

DIN : 06771242

Place : Bengaluru

Date : May 28, 2020

DESIKAN NARAYANAN

Chief Financial Officer

DIN : 06771242

Place : Chennai

Date : May 28, 2020

S. SAMPATH KUMAR

Company Secretary & Compliance Officer

ICSI Membership No. F3838

Place : Chennai

Date : May 28, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

Rs. In Millions

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Operations	22	2,694.04	2,827.73
Other Income	23	85.83	59.96
Total Income		2,779.87	2,887.69
EXPENSES			
Employee Benefits Expense	24	1,793.10	1,833.59
Finance Cost	25	11.08	0.67
Depreciation and Amortisation Expense	3	58.22	54.99
Other Expenses	26	376.91	462.76
Total Expenses		2,239.31	2,352.01
Profit Before Tax		540.56	535.68
Tax Expense			
Current Tax	5 (b)	128.41	181.27
Deferred Tax	5 (a)	13.13	(7.61)
Profit for the Year		399.02	362.02
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plan		(5.90)	(2.38)
Income tax relating to items that will not be reclassified to profit or loss	5 (c)	1.57	0.83
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the Year		394.69	360.47
Attributable to:			
Owners of the Parent		394.69	360.47
Non-Controlling interests		-	-
Of the Total Comprehensive Income above, Profit for the year attributable to :			
Owners of the Parent		399.02	362.02
Non-Controlling interests		-	-
Of the Total Comprehensive Income above, Comprehensive Income attributable to :			
Owners of the Parent		(4.33)	(1.55)
Non-Controlling interests		-	-
Earnings per Equity Share (Face value Rs. 10/- per share)			
Basic (Rs.)	27	38.51	33.79
Diluted (Rs.)	27	38.51	33.79
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our Report of even date.

Signatures to the Consolidated Statement of Profit & Loss and Notes to Consolidated Financial Statements

**For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Regn. No. 104607W/W100166**

For and on behalf of the Board

FARHAD M. BHESANIA
 Partner

Prof. K. KUMAR
 Deputy Chairman &
 Director

BALAJI VISWANATHAN
 Managing Director & CEO

DESIKAN NARAYANAN
 Chief Financial Officer

S. SAMPATH KUMAR
 Company Secretary &
 Compliance Officer

Membership Number 127355
 Place : Mumbai
 Date : May 28, 2020

DIN : 02343860
 Place : Bengaluru
 Date : May 28, 2020

DIN : 06771242
 Place : Bengaluru
 Date : May 28, 2020

Place : Chennai
 Date : May 28, 2020

ICSI Membership No. F3838
 Place : Chennai
 Date : May 28, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

(a) Equity Share Capital

		Rs. In Millions	
	Changes in equity share capital during the year	Balance as at March 31, 2019	
Balance as at April 1, 2018	107.10	0.03	107.13

		Rs. In Millions	
	Changes in equity share capital during the year	Balance as at March 31, 2020	
Balance as at April 1, 2019	107.13	(4.61)	102.52

(b) Other Equity

Particulars	Employee Stock Compensation Reserve	Reserves and Surplus			Attributable to owners of the parent	Non-Controlling Interest	Total
		Securities Premium	General Reserve	Retained Earnings			
Balance as at April 1, 2018	1.31	193.22	181.09	803.23	1,178.85	-	1,178.85
Profit for the year	-	-	-	362.02	362.02	-	362.02
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	-	(1.55)	(1.55)	-	(1.55)
Total Comprehensive Income for the Year	-	-	-	360.47	360.47	-	360.47
Dividend (Including Dividend Tax)	-	-	-	(258.31)	(258.31)	-	(258.31)
Transfer to General Reserves	-	-	31.00	(31.00)	-	-	-
Securities premium received on issue of shares on exercise of employee stock options during the year	-	0.31	-	-	0.31	-	0.31
Balance as at March 31, 2019	1.31	193.53	212.09	874.39	1,281.32	-	1,281.32

Particulars	Rs. In Millions					Non-Controlling Interest	Total
	Employee Stock Compensation Reserve	Reserves and Surplus			Attributable to owners of the parent		
		Securities Premium	General Reserve	Retained Earnings			
Profit for the year	-	-	399.02	-	399.02	-	399.02
Remeasurement of post employment benefit obligation, net of tax (OCI)	-	-	(4.33)	-	(4.33)	-	(4.33)
Total Comprehensive Income for the Year	-	-	394.69	-	394.69	-	394.69
Transfer to General Reserves	-	34.00	(34.00)	-	-	-	-
Expenses for buy back of equity shares	-	-	(7.62)	-	(7.62)	-	(7.62)
Transfer to Capital redemption reserve	-	-	(4.61)	4.61	-	-	-
Reduction of Share capital on buy back	-	(193.53)	(55.36)	-	(248.89)	-	(248.89)
Balance as at March 31, 2020	1.31	246.09	1,167.49	4.61	1,419.50	-	1,419.50

As per our Report of even date. Signatures to the Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA
 Partner
 Membership Number 127555
 Place : Mumbai
 Date : May 28, 2020

Prof. K. KUMAR
 Deputy Chairman & Director
 DIN : 02343660
 Place : Bengaluru
 Date : May 28, 2020

BALAJI VISWANATHAN
 Managing Director & CEO
 DIN : 06771242
 Place : Bengaluru
 Date : May 28, 2020

DESIKAN NARAYANAN
 Chief Financial Officer
 Place : Chennai
 Date : May 28, 2020

S. SAMPATH KUMAR
 Company Secretary & Compliance Officer
 ICSI Membership No. F3838
 Place : Chennai
 Date : May 28, 2020

Consolidated Statement of Cash Flows for the year ended March 31, 2020

Particulars	Rs. In Millions	
	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	540.56	535.68
Adjustment for:		
Depreciation and Amortization Expense	58.22	54.99
(Profit)/ Loss on sale of Property, Plant and Equipment	(0.23)	0.78
Provision no longer required	-	(4.78)
Unrealized forex exchange (gain)/ loss (Net)	(32.79)	19.91
Interest income	(15.22)	(15.19)
Finance Cost	10.60	-
(Reversal of)/Allowance for credit loss	(0.32)	(1.00)
Unwinding of discount on security deposits	(0.85)	(1.11)
Operating profit before working capital changes	559.97	589.28
Adjustment for:		
(Increase)/ Decrease in Trade Receivables	(286.28)	214.67
(Increase)/ Decrease in Loans	9.98	(56.09)
(Increase)/ Decrease in Other Current Financial Assets	16.87	(39.98)
(Increase)/ Decrease in Other Current Assets	(1.69)	9.00
(Increase)/ Decrease in Other Non-Current Assets	(3.22)	(34.56)
Increase/ (Decrease) in Trade Payables	36.85	3.29
Increase/ (Decrease) in Other Current Financial Liabilities	(55.09)	(20.29)
Increase/ (Decrease) in Other Current Liabilities	11.19	(26.13)
Increase/ (Decrease) in Provisions	5.48	2.81
Cash generated from operations	294.06	642.00
Direct Taxes paid (net of refunds)	(127.11)	(236.36)
Net cash flow from operating activities (A)	166.95	405.64
B. Cash flow from investing activities		
Investment in bank deposit having maturity greater than 3 months	(76.90)	(212.51)
Proceeds from maturity of Fixed Deposits	2.41	459.63
Payments for purchase of Property, Plant and Equipment and Intangible Assets	(23.27)	(23.89)
Proceeds from sale of Property, Plant and Equipment	0.23	3.09
Interest Income Received	14.57	19.07
Net cash flow (used in)/from investing activities (B)	(82.96)	245.39
C. Cash Flow from financing activities		
Lease liability paid	(27.76)	-
Proceeds from Issue of Shares	-	0.34
Buy back of equity shares	(253.50)	-
Expenses for Buy back of equity shares	(7.62)	-
Dividends paid	-	(214.27)
Tax on dividend paid	-	(44.04)
Net cash Flow (used in) financing activities (C)	(288.88)	(257.97)
Net (Decrease)/ Increase in Cash & Cash Equivalents (A + B +C)	(204.89)	393.06
Effect of changes in exchange rate on Cash and Cash Equivalents	15.89	(9.35)
Cash & Cash Equivalents at the beginning of the year	978.92	595.21
Cash and Cash Equivalents at the end of the year (Refer Note 9)	789.92	978.92

Notes :The above Statement of Cash Flows includes Rs. 7.83 Million spent (Previous Year: Rs. 7.97 Million) towards Corporate Social Responsibility (CSR) Activities.

The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our Report of even date.

For KALYANIWALLA & MISTRY LLP

For and on behalf of the Board

CHARTERED ACCOUNTANTS

Firm Regn. No. 104607W/W100166

FARHAD M. BHESANIA

Partner

Membership Number 127355

Place : Mumbai

Date : May 28, 2020

Prof. K. KUMAR

Deputy Chairman &
Director

DIN : 02343860

Place : Bengaluru

Date : May 28, 2020

BALAJI VISWANATHAN

Managing Director & CEO

DIN : 06771242

Place : Bengaluru

Date : May 28, 2020

DESIKAN NARAYANAN

Chief Financial Officer

Place : Chennai

Date : May 28, 2020

S. SAMPATH KUMAR

Company Secretary &
Compliance Officer

ICSI Membership No. F3838

Place : Chennai

Date : May 28, 2020

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 1

Company Overview:

Expleo Solutions Limited (formerly known as SQS India BFSI Limited) (“Expleo Solutions” or “the Company”), incorporated on June 8, 1998 as a private limited company was converted into a public limited company with effect from August 19, 2008. The Company made its Initial Public Offering (IPO) of its Equity Shares on September 24, 2009 (issue open date) and shares under IPO were allotted on October 14, 2009. The Company’s shares were listed on the National Stock Exchange and Bombay Stock Exchange with effect from October 26, 2009.

The Company is a subsidiary of Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG, Germany).

The Company is an India based software service provider primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. The Company has invested in four wholly owned subsidiaries in Singapore, USA, UK and UAE for market development and service delivery in the respective regions.

Name of Subsidiary	Country of Incorporation	Percentage of ownership
Expleo Solutions Pte. Ltd.	Singapore	100%
Expleo Solutions UK Ltd.	UK	100%
Expleo Solutions Inc., (formerly known as SQS BFSI Inc)	USA	100%
Expleo Solutions FZE, (formerly known as SQS BFSI FZE)	UAE	100%

Expleo Solutions Limited together with its subsidiaries is hereinafter referred to as “the Group”.

The Financial Statements of the Group for year ended March 31, 2020 were authorized for issue in accordance with the resolution of the Board of Directors on May 28, 2020.

Note 2

Significant Accounting Policies:

a) Basis of preparation of financial statements:

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant amendment rules issued thereafter.

i) Basis of presentation of financial statements:

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity have been prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013. The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 Statement of Cash Flows. The disclosure requirements with respect to items of the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are presented by way of notes forming part of the Consolidated Financial Statements.

The Group has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current.

ii) Principles of consolidation:

The Company consolidates entities which it owns or controls. The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries. Control exists when the parent has power over the entity, or is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The Financial Statements of the Subsidiaries are consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealized profits/ losses in full.

The Consolidated Financial Statements are prepared using uniform accounting policies for transactions and other events in similar circumstances.

The Financial Statements include figures pertaining to the Head Office and Branches/ Places of Business located at Madras Export Processing Zone - Chennai, Belgium, Phillipines, Malaysia and the following wholly owned subsidiaries:

1. Expleo Solutions Pte. Ltd., Singapore
2. Expleo Solutions Inc., USA (formerly known as SQS BFSI Inc., USA)
3. Expleo Solutions UK Ltd., UK
4. Expleo Solutions FZE, UAE (formerly known as SQS BFSI FZE, UAE)

The Australia branch has no transactions during the year and was closed during the current year and the Company has opened a branch in Phillipines during the current year.

iii) Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Receivables and other financial assets, the Group 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 Group will continue to closely monitor any material changes to future economic conditions.

iv) Basis of Measurement:

These Consolidated Ind AS Financial Statements have been prepared based on accrual and going concern principles following

the historical cost convention except for the following financial assets and liabilities which have been measured at fair value:

- a. Certain financial assets and liabilities measured at fair value
- b. Defined benefit plans - plan assets and share based payments measured at fair value.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

b) Critical Accounting Estimates:

While preparing these Ind AS compliant Consolidated Financial Statements, the management has made certain estimates and assumptions that require subjective & complex judgments. These judgments affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised prospectively.

Judgments, estimates and assumptions are required for:

i) Revenue Recognition:

The Group uses percentage of completion method for its fixed-bid contracts. The use of percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion to total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted contracts are recorded

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

in the period in which such losses become probable based on the expected contract estimates at the reporting date.

ii) Determination of the estimated useful lives and residual values of tangible assets :

Useful lives of tangible assets are based on the life prescribed in the Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on management's technical evaluation taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacements. Assumptions are also made when the Group assesses whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

The estimation of the residual value of the asset is based on the management's judgment about the condition of such asset at the point of sale of the asset.

iii) Recognition and measurement of the defined benefit obligation:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, attrition rate and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

iv) Recognition of deferred tax assets:

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases and unutilised business loss and depreciation carry forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against

which the deductible temporary difference, depreciation carry forwards and unused tax credits could be utilised.

v) Leave Encashment:

The Group has a policy on the compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

vi) Income Tax:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

vii) Expected credit losses on financial assets:

On application of Ind AS 109, the impairment provisions of financial assets are based on assumptions about the risk of default and expected timing of collection. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history of collections, customer's credit-worthiness, existing market conditions as well as forward looking estimates at the end of each reporting period.

viii) Provisions and Contingent Liabilities:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

ix) Discounting of long term financial assets/liabilities:

All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial assets/ liabilities which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

c) Revenue Recognition:

Revenue is recognized upon transfer of control of promised services to customers

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

The significant accounting policies related to revenue recognition are as under :

Software service income:

The Group has applied the guidance in Ind AS 115 'Revenue from Contracts with Customers' by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software testing services as distinct performance obligations. The transaction price as allocated to each distinct performance obligation is defined in the contract with the customer. In the case of fixed bid contracts, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses and the Group's performance creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

- i. The Group derives revenue from software services which involves primarily delivering software validation and verification services to the banking, financial services and insurance industry worldwide. Arrangements with customers are on a fixed bid or a time and material basis.
- ii. Revenue in respect of time and material contracts is recognized based on time/efforts spent and/ or billed to clients as per the terms of specific contracts as there is a direct relationship between input and productivity.
- iii. Revenue from fixed bid contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards

completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are classified as contract assets (which the Group refers to as Unbilled Revenue) while invoicing in excess of revenues are classified as contract liabilities (which the Group refers to as Unearned Revenue).

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

- iv. The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.
- v. Revenue includes reimbursement of expenses wherever billed as per the terms of the contracts.
- vi. Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.
- vii. The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.
- viii. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

d) Interest Income:

Interest Income is recognised using the effective interest rate method.

e) Dividend Income:

Dividend income is recognized when the right to receive payment is established.

f) Other Income:

Other Income is recognized when the right to receive is established.

g) Government Grants:

Grants from the government are recognised when there is reasonable assurance that:

- (i) the Group will comply with the conditions attached to them; and
- (ii) the grant will be received.

h) Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing Costs relating to acquisition of qualifying assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation on assets is provided on the straight line method on the basis of useful life which is equal to or lower than the useful life prescribed in Schedule II of the Companies Act, 2013 for all the assets. The useful life is determined on the management's technical evaluation.

Asset description	Useful life (in years)
Building	20 years
Plant and equipment	3 years
Computer equipment	3 years
Furniture and fittings	3 years
Office Equipment	3 years
Vehicles	4 years
Temporary Partitions	Fully Depreciated
Leasehold Rights and Improvements	Tenure of lease period or 10 years, whichever is less
Residual Value is considered to be NIL.	

In the view of the management, property, plant and equipment individually costing Rs. 5,000/- or less have a useful life of one year and are depreciated in full in the year of acquisition.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

i) Intangible Assets:

Intangible Assets are stated at cost less accumulated amortization and impairment losses, if any. Intangible Assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end. If the estimated useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. The costs which can be

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

capitalized include the cost of material, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss, when the asset is derecognized.

Amortization rates currently applied are as follows:

Asset description	Useful life (in Years)
Intangible Assets - Computer Software	3 years
Intangible Assets - Software tools	5 years
Residual value is considered to be NIL	

In the view of the management, intangible assets individually costing Rs. 5000/- or less have a useful life of one year and are hence fully amortised in the year of acquisition.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development".

j) Financial Instruments:

i) Initial Recognition:

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent Measurement:

a) Non-derivative financial instruments:

(i) Financial instruments measured at amortized cost:

A financial instrument is subsequently measured at amortized cost if it is

held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The computation of amortized cost is done using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortization is included in interest income in the Statement of Profit and Loss.

(ii) Financial Assets at fair value through other comprehensive income:

A financial instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in Other Comprehensive Income.

(iii) Financial Assets at fair value through profit and loss:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial Liabilities

Financial Liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

b) Share Capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary equity shares are recognized as a deduction from equity, net of any tax effects.

c) Derivatives:

Derivatives include foreign currency forward contracts. It is measured at fair value. Fair value of foreign currency forward contracts are determined using the fair value reports provided by the respective banks.

iii) Derecognition of financial instruments:

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

k) Impairment:

i) Financial Assets:

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as

an impairment gain or loss in the Statement of Profit and Loss.

ii) Non-financial assets:

Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are required to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

l) Fair value of financial instruments:

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to Note 29 in the Consolidated Financial Statements for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

m) Provisions and Contingencies:

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding

retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Onerous Contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

Contingent Liabilities are disclosed in the notes to the Consolidated Financial Statements. A contingent liability is a possible obligation that arises due to past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised but their existence is disclosed in the Consolidated Financial Statements.

n) Foreign Currency:

Functional and presentation Currency

The functional currency of the Group is the Indian rupee. These Consolidated Financial Statements are presented in Indian Rupees.

Transactions and Translations:

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which transaction is settled. Exchange differences on account of conversion of foreign operations are also recognized as income or as expense in the year in which they arise. Revenue and expense items pertaining to foreign operations denominated in foreign currencies are translated into the relevant functional currencies using the monthly weighted average exchange rate of the respective currencies. The gains or losses resulting from such transactions are included in exchange loss/ gain under the head "Other Expenses" or under the head "Other Income" respectively in the Statement of Profit and Loss.

o) Earnings per share:

Basic earnings per equity share are computed by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed by dividing the net profit attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

p) Income taxes:

Income tax expense comprises of current and deferred income tax. Income tax expense

is recognized in the Statement of Profit and Loss for items recognized in the Statement of Profit and Loss. Income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in Other Comprehensive Income (OCI) or in Equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Current Tax:

Current income tax for current and prior periods (including Minimum Alternate Tax (MAT)) is recognized at the amount expected to be paid or recovered from the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax:

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit and 10AA (SEZ deduction) and other applicable deductions as prescribed in the said Section 115BAA for the current year. The Company is in the 11th year of Tax Holiday benefit u/s 10AA(SEZ Benefit) in the current year. The Company had already claimed the deductions towards 100% of the profits from the SEZ unit for the first 5 years and 50% of the profits from the SEZ unit for the next 5 years as provided under the Income Tax Act, 1961 until the previous year.

q) Employee Benefits:

i) Short term employee benefits:

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Leave Encashment:

The Group pays leave encashment on short term basis for onsite employees for the period of leave they are entitled to during their onsite stay.

ii) Post Employment obligations:

(a) Defined contribution plans:

Employee benefits in the form of Provident Fund/ Social Security payments are defined contribution schemes and contributions made are charged to the Statement of Profit and Loss for the year. The Group

has no further obligations under these plans beyond its periodic contributions. Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(b) Defined benefit plans:

Gratuity:

The Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liability with regard to the gratuity plan is determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Re-measurement of the net defined benefit liability which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income. Net interest expense / (income) on the net defined liability / (assets) is computed by applying the discount rate, used to measure the net defined liability / (asset). Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

iii) Long Term Employee Benefits:

The Group's net obligation in respect of long term employee benefits for offshore employees, being long term compensated absences is the amount of future benefits that employee have earned in return for the service in the current and prior periods. The liability is determined by an independent actuary, using Projected Unit Credit Method. Actuarial gains and losses are recognised immediately as income or expense in the Statement of Profit and Loss. Obligation is measured at the present value of estimated future cash flows using a discount rate that is

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

r) Share based compensation:

The Group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102 'Share-Based Payment'. The estimated fair value of awards is charged to income on a straight line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account. The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

s) Statement of Cash Flows:

The Statement of Cash Flows has been prepared under the 'Indirect method' as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents in the Statement of Cash Flows comprise cash at bank and in hand and fixed deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

t) Dividends:

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective Company's Board of Directors.

u) Leases:

Where the Group is a lessee:

Effective 1st April 2019, the Group adopted Ind AS 116 "Leases", using modified retrospective

approach. Accordingly, the comparatives have not been retrospectively restated. The effect of adoption of Ind AS 116 was insignificant. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease.

On Transition, the Group has recognised new assets and liabilities for its operating leases of premises.

- i) Lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at April 01, 2019.
- (ii) Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.
- (iii) The nature of expenses related to those leases changed from lease rent in previous periods to
 - (a) amortization change for the right-to-use asset, and
 - (b) interest accrued on lease liability.
- (iv) The Group used a practical expedient when applying Ind AS 116.

The Group did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The Lease payments associated with these are recognised as expenses on a straight line basis over the lease term.

v) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group operations predominantly relate to software validation and verification services relating to banking, financial services and insurance industry and accordingly, this is the only primary reportable business segment. The segment sales information is provided on a geographical basis classified as India and the rest of the world.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 3: Property, Plant & Equipment and Intangible Assets

Particulars	GROSS BLOCK			DEPRECIATION and AMORTISATION			NET BLOCK			
	As at April 1, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	Upto March 31, 2019	For the Year	Deductions during the year	Upto March 31, 2020	As at March 31, 2020	As at March 31, 2019
a) Property, Plant & Equipment										
Buildings										
- Owned	190.19	0.49	-	190.68	34.81	11.63	-	46.44	144.24	155.38
- Right of Use Assets (Refer Note 3.1)	-	106.18	-	106.18	-	23.24	-	23.24	82.94	-
Leasehold Improvements	2.37	-	-	2.37	2.36	-	-	2.36	0.01	0.01
Plant and Equipment	14.46	1.46	1.15	14.77	12.33	3.26	1.15	14.44	0.33	2.13
Office Equipment	7.40	1.56	1.65	7.31	5.05	1.69	1.65	5.09	2.22	2.35
Furniture and Fittings	23.36	0.35	0.89	22.82	20.42	2.97	0.89	22.50	0.32	2.94
Computer Equipment	62.95	19.40	16.98	65.37	42.20	12.90	16.98	38.12	27.25	20.75
Vehicles	3.34	-	-	3.34	0.22	0.89	-	1.11	2.23	3.12
Total Property, Plant & Equipment	304.07	129.44	20.67	412.84	117.39	56.58	20.67	153.30	259.54	186.68
Previous Year	288.14	23.44	7.51	304.07	75.21	45.82	3.64	117.39	186.68	
b) Intangible Assets										
Computer Software and Tools	19.60	0.01	0.03	19.58	17.63	1.64	0.03	19.24	0.34	1.97
Total Intangible Assets	19.60	0.01	0.03	19.58	17.63	1.64	0.03	19.24	0.34	1.97
Previous Year	19.15	0.45	-	19.60	8.46	9.17	-	17.63	1.97	
TOTAL (a + b)	323.67	129.45	20.70	432.42	135.02	58.22	20.70	172.54	259.89	188.65
Total Previous Year(a+b)	307.29	23.89	7.51	323.67	83.67	54.99	3.64	135.02	188.65	

Note 3.1: Buildings includes right-of-use assets of Rs. 106.18 Million related to leased properties that do not meet the definition of investment property.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 4: Loans (Non Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	17.31	8.79
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	5.08	5.71
Less: Allowance for Doubtful Deposits	(5.08)	(5.71)
Total	17.31	8.79

Note 5: Deferred Tax Assets

a) Movement in Deferred Tax Balances

Rs. In Millions

Particulars	Net Balance as at April 01, 2019	Movement during the year		Net Balance as at March 31, 2020
		Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	
Deferred Tax Assets				
Property, Plant and Equipment	12.00	(3.86)	-	8.14
Employee Benefits	4.39	(0.28)	1.57	5.68
Allowance for expected Credit loss	0.12	(0.12)	-	-*
Unused Tax Credits	8.87	(8.87)	-	-
Deferred Tax Assets	25.38	(13.13)	1.57	13.82

* Denotes an amount less than Rs. 5,000/-.

Particulars	Net Balance as at April 01, 2018	Movement during the year		Net Balance as at March 31, 2019
		Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	
Deferred Tax Assets				
Property, Plant and Equipment	5.76	6.24	-	12.00
Employee Benefits	0.95	2.61	0.83	4.39
Allowance for expected Credit loss	0.47	(0.35)	-	0.12
Unused Tax Credits	8.87	-	-	8.87
Long term Capital gain	0.89	(0.89)	-	-
Deferred Tax Assets	16.94	7.61	0.83	25.38

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 5: Deferred Tax Assets (Contd.)

b) Amounts recognised in the Statement of Profit and Loss

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Income Tax		
Current tax expense for current year	132.17	179.73
Current tax expense pertaining to previous years	(3.76)	1.54
	128.41	181.27
Deferred Tax Asset (Net)		
Origination and reversal of Tax on Temporary Differences	13.13	(7.61)
Total Tax expense for the year	141.54	173.66

c) Amounts recognised in Other Comprehensive Income

Rs. In Millions

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	Before Tax	Tax (Expense)/ Benefit	Net of Tax	Before Tax	Tax (Expense)/ Benefit	Net of Tax
Remeasurement of Defined Benefit Liability	(5.90)	1.57	(4.33)	(2.38)	0.83	(1.55)
	(5.90)	1.57	(4.33)	(2.38)	0.83	(1.55)

d) Reconciliation of Income Tax expense and the accounting profit multiplied by India's tax rate

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit Before Tax	540.56	535.68
Indian statutory income tax rate	25.168%	34.944%
Expected income tax expense	136.05	187.19
Tax effect of adjustments to reconcile expected Income Tax Expense:		
Tax Effect of Non-Deductible expenses to reported Income Tax Expense	1.83	(1.32)
Tax Effect of MAT Tax credit foregone on adoption of Lower Tax rate	8.87	-
Tax Effect of Tax holidays (Refer Note (e) below)	-	(4.30)
Tax Effect of Tax paid at a lower rate for foreign branches	2.53	1.57
Tax Effect of adoption of Lower Tax Rate on Deferred Tax	4.76	-
Tax Effect of differences in overseas tax rates for foreign subsidiaries and currency Translation	(6.46)	(6.99)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

d) Reconciliation of Income Tax expense and the accounting profit multiplied by India's tax rate (Contd.)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Adjustments recognised in current year in relation to tax of prior years	(3.76)	1.54
Tax Effect of Income not subject to tax	(2.09)	(5.29)
Income chargeable at lower rate of tax	-	0.89
Others	(0.19)	0.37
Total Income Tax Expense	141.54	173.66

- e) As per Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019 a new section was inserted named 115BAA under the Income Tax Act, 1961 wherein the Ordinance provides domestic companies with an option to pay income tax at the rate of 22%, provided they do not claim certain deductions under the IT Act. The Company after evaluation has decided to adopt the Lower Tax rate effective from FY 19-20.

Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit and 10AA (SEZ deduction) and other applicable deductions as prescribed in the said Section 115BAA for FY 19-20. The Company is in the 11th year of Tax Holiday benefit u/s 10AA (SEZ Benefit) in the FY 19-20. The Company had already claimed the deductions towards 100% of the profits from the SEZ unit for the first 5 years and 50% of the profits from the SEZ unit for the next 5 years as provided under the Income Tax Act, until the previous year.

- f) The Group offsets tax assets & liabilities if and only if it has a legally enforceable right to set off current tax assets & current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets.
- g) The recoverability of deferred income tax assets is based on the estimate of taxable income in the tax jurisdiction in which the entity operates and the period over which deferred income tax assets will be recovered.

h) Tax Credits Carried forward

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019	Expiry Date
F.Y 2008-09	-**	-*	March 31, 2024
F.Y 2009-10	-**	8.87	March 31, 2025

* Denotes an amount less than Rs. 5,000/-.

** Consequent to the adoption of Lower tax rate as prescribed u/s 115BAA, the Company has given away the benefit of carried forward MAT credit in the current year.

Note 6 : Income Tax Assets (Net)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax and Tax Deducted at Source (Net)	1.34	9.32
Total	1.34	9.32

(Refer Note 5 for Tax Reconciliations)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 7 : Other Non Current Assets

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Advances	0.82	0.76
Employee Advances	3.84	-
Balances with Government authorities	70.39	64.66
Prepaid Expenses	0.06	0.74
Total	75.11	66.16

Note 8 : Trade Receivables

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables Considered Good - secured	-	-
Trade Receivables Considered Good - Unsecured	759.06	457.58
Trade Receivables which have a significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	-	-
Less: (Reversal of) allowance for Credit Loss	(0.02)	(0.34)
Total	759.04	457.24

Note 9 : Cash and Cash Equivalents

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Balances With Banks		
in Current Accounts	684.92	943.91
in Deposit Accounts with original maturity of less than 3 months	105.00	35.00
Cash On Hand	-*	0.01
Total	789.92	978.92

Note 9.1: There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of the reporting period and prior period.

* Denotes an amount less than Rs. 5,000/-.

Note 10: Other Bank Balances

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Balances With Banks		
Earmarked Balances with Banks - Unclaimed Dividend	2.92	3.93
Deposits with original maturity of more than 3 months but less than 12 months (Refer Note 10.1 below)	79.63	4.13
Total	82.55	8.06

Note 10.1: Includes deposits under lien with bank towards guarantee issued by the bank on behalf of the Company Rs. 3.09 Million (Previous Year: Rs. 3.63 Million).

Note 10.2: There are no repatriation restrictions with regard to Other Bank Balances as at the end of the reporting period and prior period.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 11: Loans (Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Receivable considered good - Secured	-	-
Loans Receivable considered good - Unsecured		
Security Deposit	6.03	29.14
Dues from Related parties (Refer Note 11.1 below)	46.83	45.24
Loans Receivable which have significant increase in Credit Risk	-	-
Loans Receivable - credit impaired	-	-
Total	52.86	74.38

Note 11.1: Represents Loan given to a fellow subsidiary. The GBP loan was given at 2.5% interest per annum for general purpose to the fellow subsidiary and was guaranteed by Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG).

Note 12: Other Current Financial Assets

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on fixed deposits	0.76	0.11
Export incentive receivables	34.44	50.44
Other receivables	-	0.80
Unbilled Revenue	25.21	25.28
Total	60.41	76.63

Note 13: Other Current Assets

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Considered Good		
Advances to vendors	6.32	4.84
Advances to employees and others	8.95	6.18
Balances with Government Authorities	1.84	2.70
Prepaid Expenses	13.61	15.34
Deferred rent	-	0.58
Total	30.72	29.64

Note 14 : Equity Share Capital

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
a) Authorised		
12,000,000 Equity Shares of Rs.10/- each	120.00	120.00
	120.00	120.00
b) Issued, Subscribed and Paid Up		
10,252,485 (Previous Year: 10,713,381) Equity Shares of Rs. 10/- each fully paid up	102.52	107.13
	102.52	107.13

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

c) During the year, the Company has bought back 460,896 (Previous Year: Nil) Equity Shares comprising approximately 4.30% of the paid-up equity share capital of the Company.

In the previous year, the Company had issued 3,000 Equity shares under the Employee Stock Option Scheme, 2011.

d) Reconciliation of number of shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Rs. In Millions	No. of shares	Rs. In Millions
Equity Shares				
Outstanding at the beginning of the year	10,713,381	107.13	10,710,381	107.10
Add: Issued during the year	-	-	3,000	0.03
Less: Buyback of shares during the year (Refer Note: 32)	460,896	4.61	-	-
Outstanding at the end of the year	10,252,485	102.52	10,713,381	107.13

e) Shareholding Information

Particulars	As at March 31, 2020	As at March 31, 2019
Equity Shares are held by		
Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG) (Holding Company)	5,758,804	5,758,804

f) Rights, preferences and restrictions attached to Equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

g) Shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	%	No. of shares	%
Equity Shares				
Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG) (Holding Company)	5,758,804	56.17	5,758,804	53.75

As per the records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

h) Equity Shares Reserved for Issue Under Options

For Details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 31 (a) to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 15: Other Equity

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
a) Securities Premium (Refer Note 15.1 below)		
Opening Balance	193.53	193.22
Addition during the year	-	0.31
Buyback of Equity Shares during the year (Refer Note 32)	(193.53)	-
Closing Balance	-	193.53
b) General Reserve (Refer Note 15.2 below)		
Opening Balance	212.09	181.09
Addition during the year	34.00	31.00
Closing Balance	246.09	212.09
c) Retained Earnings (Refer Note 15.3 below)		
Opening Balance	874.39	803.23
Profit for the year	399.02	362.02
Transfer to General Reserve	(34.00)	(31.00)
Other Comprehensive Income	(4.33)	(1.55)
Transfer to Capital redemption reserve upon Buyback (Refer Notes 15.4 and 32)	(4.61)	-
Buyback of Equity Shares during the year (Refer Note 32)	(62.98)	-
Dividends (including Dividend Distribution Tax)	-	(258.31)
Closing Balance	1,167.49	874.39
d) Capital Redemption Reserve (Refer Note 15.4 below)		
Opening Balance	-	-
Transfer from Retained Earnings upon Buyback (Refer Notes 15.4 and 32)	4.61	-
Closing Balance	4.61	-
e) Employee Stock Compensation Reserve (Refer Note 15.5 below)		
Opening Balance	1.31	1.31
Addition during the year	-	-
Closing Balance	1.31	1.31
Total	1,419.50	1,281.32

Note 15.1: Securities Premium

The Securities Premium has been created on account of premium on issue of Equity Shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013. During the year, an amount of Rs. 193.53 Million was utilised from Securities Premium, to offset the excess of total buy-back cost of Rs. 261.11 Million (including Rs. 7.62 Million towards transaction cost of buy-back) over par value of shares.

Note 15.2: General Reserve

The Group has transferred a portion of the net profit of the Company to general reserve, on a voluntary basis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 15.3: Retained Earnings

Retained Earnings are the profits that the Company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to shareholders. During the year, an amount of Rs. 59.97 Million was utilised from retained earnings, to offset the excess of total buy-back cost of Rs. 261.11 Million (including Rs. 7.62 Million towards transaction cost of buy-back) over par value of shares.

Note 15.4: Capital Redemption reserve

As per provisions of Section 69 of the Companies Act, 2013, Capital Redemption Reserve is to be created when Company purchases (buys back) it's own shares out of the free reserves for an amount equal to the nominal value of shares (Share Capital extinguished) so purchased. Accordingly, an amount of Rs. 4.61 Million i.e. the Share Capital extinguished has been transferred from Retained Earnings to Capital Redemption Reserve.

Note 15.5: Employee Stock Compensation Reserve

The Employee Stock Compensation Reserve is used to recognise the grant date fair value of options issued under the Group's Stock Option Plan provided to employees as part of their remuneration (Refer Note 31 (b)).

Note 16: Other Non-current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Lease Liability	65.38	-
Total	65.38	-

Note 17: Provisions (Non Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Compensated absences	10.96	7.64
Gratuity	7.22	5.27
Total	18.18	12.91

Note 18: Other Current Financial Liabilities

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Employee benefits payable	97.12	95.40
Gratuity	8.11	1.40
Lease Liability	18.75	-
Liabilities for other expenses	159.98	218.01
Unclaimed dividend (Refer Note 18.1 below)	2.92	3.93
Total	286.88	318.74

Note 18.1: There are no amounts due for payment to the Investor Education and Protection Fund as at the end of the current year and previous year.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 19: Other Current Liabilities

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory Dues	72.35	56.26
Unearned Revenue	2.32	7.40
Total	74.67	63.66

Note 20: Provisions (Current)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits:		
Compensated Absences	3.49	3.59
Provision for Gratuity	1.42	1.11
Total	4.91	4.70

Note 21: Current Tax Liabilities (Net)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Tax (Net)	52.80	53.73
Total	52.80	53.73

(Refer Note 5 for Tax Reconciliations)

Note 22: Revenue from Operations

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Contracts with customer		
Software Services (Refer Note 22.1 below)	2,694.04	2,827.73
Total	2,694.04	2,827.73

Note 22.1: Disclosures relating to Revenue from Operations

a) Disaggregation of Revenue

The table below presents disaggregated revenues from contracts with customers for the years ended March 31, 2020 and March 31, 2019 by contract type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of their revenues and cash flows are affected by economic factors.

Revenue based on contract type:

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fixed Bid	932.74	1,145.49
Time & Material	1,761.30	1,682.24
Total	2,694.04	2,827.73

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The Group derives its revenue across two categories of contracts - Fixed Bid contracts and Time & Material (T&M) contracts. The Group has identified a single reportable segment namely 'Software Validation and Verification Services' as disclosed in Note 37 to the Consolidated Financial Statements. The Group has disclosed revenue generated by geographical market which is provided only as per the specific requirement of Ind AS 108 for a single reportable segment. However, the Group does not assess revenue based on geography and hence there is no disaggregation of revenue disclosed based on geography.

- b)** The contract liabilities (unearned revenue) primarily relate to the advance consideration received from customers for which revenue is recognised over time. An amount of Rs. 7.40 Million (Previous Year: Rs. 17.65 Million) recognised in contract liabilities as at April 1, 2019 has been recognised as revenue for the year ended March 31, 2020.
- c)** There is no revenue recognised in the reporting period for performance obligations satisfied in previous periods.

d) Transaction price allocated to the remaining performance obligations

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 55.60 Million (Previous Year: Rs. 102.41 Million) which is expected to be recognised as revenue in the next year. Remaining performance obligation estimates are subject to change and are affected by several factors, including adjustments for currency.

e) Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and in the case of fixed bid contracts with an original expected project duration of less than one year.

f) Revenue as per contracted price with the customers

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contracts with customers (as per the Statement of Profit and Loss)	2,694.04	2,827.73
Add: Discounts	39.61	15.55
Revenue as per contracted price with the customers	2733.65	2,843.28

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 23: Other Income

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
On Fixed deposits and others	15.22	15.19
On Other financial assets carried at amortised cost	0.85	1.11
On Income Tax Refund	0.05	-
Export Incentives (Net)	8.14	34.44
Profit on Sale of Property Plant and Equipment	0.23	-
Provision no longer required written back	-	4.78
Provision for expected credit loss written back	0.32	1.00
Miscellaneous Income	-	3.29
Net foreign exchange gain	60.56	-
Government Grant	0.46	0.15
Total	85.83	59.96

Note 24: Employee Benefit Expense

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	1,682.78	1,720.39
Contribution to provident and other funds (Refer Note 28 (b) (i))	72.25	67.20
Gratuity expense (Refer Note 28 (b) (ii))	13.47	18.79
Staff welfare expense	24.60	27.21
Total	1,793.10	1,833.59

Note 25: Finance Cost

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Income Tax	0.48	0.67
Interest on Lease liability (Refer Note 25.1)	10.60	-
Total	11.08	0.67

Note 25.1: The Interest on lease liability has arisen on account of implementation of Ind AS 116 "Leases".

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 26: Other Expenses

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Travel and conveyance	163.21	173.42
Net foreign exchange loss	-	22.65
Sales commission	16.51	13.42
Professional fees	24.42	42.04
Software expenses	33.72	34.13
Rent expenses for Short term and low value leased assets (Refer Note 34)	3.90	28.01
Marketing and selling expenses	23.84	24.26
Repairs & maintenance		
Buildings	18.40	16.94
Plant and machinery	2.11	1.23
Others	12.26	5.73
Power and fuel	16.69	15.75
Rates and taxes	12.25	19.34
Loss on sale of Property, Plant & Equipment	-	0.78
Communication expenses	8.49	14.27
Commission to independent directors	4.50	4.55
Insurance	11.44	10.27
Training and recruitment	8.52	11.11
Corporate social responsibility expense	7.83	7.97
Audit fees	2.88	1.62
Directors sitting fees	1.66	1.74
Miscellaneous expenses	4.28	13.53
Total	376.91	462.76

Note 27: Earnings Per Share

a) Basic Earnings Per Share

The calculation of Basic Earnings Per Share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding.

(i) Profit attributable to equity shareholders (basic)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year, attributable to equity shareholders of the Company	399.02	362.02
Total	399.02	362.02

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(ii) Weighted average number of equity shares (basic)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of equity shares at the beginning of the year	10,713,381	10,710,381
Add: Weighted average of shares issued during the year	-	2,729
Less: Weighted average of shares bought back during the year	351,339	-
Total weighted average number of equity shares for calculating basic EPS	10,362,042	10,713,110

Earnings Per Share - Basic (in Rs.) (Face Value Rs. 10/- per share)	38.51	33.79
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b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

(i) Profit attributable to equity shareholders (diluted)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit for the year, attributable to equity shareholders of the company	399.02	362.02
Total	399.02	362.02

(ii) Weighted average number of equity shares (diluted)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares outstanding (basic)	10,362,042	10,713,110
Add: Effect of dilutive stock option	-	2,314
Weighted average number of equity shares for calculating diluted EPS	10,362,042	10,715,424

Earnings Per Share - Diluted (in Rs.) (Face Value Rs. 10/- per share)	38.51	33.79
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Note 28 : Disclosure as required under Ind AS 19 'Employee Benefits'

a) Compensated Absences

The Company provides for the encashment of leave or leave with pay to offshore employees. The employees are entitled to accumulate leave, subject to certain limits, for future availment/encashment. The liability is provided based on the number of days of unutilised days of leave at each Balance Sheet date on the basis of the year-end actuarial valuation using the projected unit credit method. The scheme is unfunded.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 28 : Disclosure as required under Ind AS 19 'Employee Benefits' (contd.)

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Liability at the beginning of the year	11.23	14.79
Leave salary cost accounted for the year (Net)	3.22	(3.56)
Total liability as at the end of the year	14.45	11.23

Note 28.1: Refer Note 17 for Long term benefits and Note 20 for Short term benefits.

b) Post-employment obligations

(i) Defined contribution plan - Provident fund & Social Security Schemes

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution accounted for the year (Includes EDLI charges and Employer's contribution to Employees' Pension Scheme, 1995) (Refer Note 24)	72.25	67.20
Total	72.25	67.20

(ii) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Life Insurance Corporation of India (LIC) as per New Group Gratuity Cash Accumulation Plan for Pension and Group Schemes Fund by Insurance Regulatory and Development Authority (IRDA) Regulations. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Defined Benefit Plan - Gratuity

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Change in Present Value Of Defined Benefit Obligation		
Present Value Of Defined Benefit Obligation at the beginning of the year	92.60	82.09
Interest cost	5.73	5.57
Current service cost	14.15	19.36
Benefits paid	(17.65)	(17.23)
Past Service Cost	-	0.21
Actuarial (Gain)/ Loss on obligations- due to change in demographic assumptions	-	-
Actuarial (Gain)/ Loss on obligations- due to change in financial assumptions	4.58	1.07
Actuarial (Gain)/ Loss on obligations- due to change in experience	1.90	1.53
Present value of obligation as at end of the year	101.30	92.60

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Defined Benefit Plan - Gratuity (contd.)	Rs. In Millions	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
ii) Change in fair value of Plan Assets		
Fair value of plan assets at the beginning of the year	84.82	75.92
Expected return on plan assets	5.82	5.68
Contributions made	11.00	18.46
Benefits paid	(15.88)	(15.46)
Return on plan assets, excluding amounts included in interest (expense)/ income	0.56	0.22
Fair value of plan assets at the end of the year	86.33	84.82
iii) Amount recognized in the Balance Sheet		
Present value of the obligation as at end of the year	103.07	92.60
Fair value of plan assets as at end of the year	86.32	84.82
Net obligation as at end of the year	16.75	7.78
Amount recognized in the Balance Sheet	16.75	7.78
Net asset/(liability) recognized - Current	9.52	2.51
Net asset/(liability) recognized - Non current (Refer Note (i) below)	7.22	5.27
iv) Expenses recognized in the Statement of Profit and Loss for the year		
Current service cost	13.57	18.68
Past service cost	-	0.21
Net Interest on Net Defined benefit obligations	(0.10)	(0.11)
Total expense included in employee benefit expenses	13.47	18.79
v) Recognized in Other Comprehensive Income for the year		
Actuarial (Gain)/ Loss on obligations - due to change in demographic assumptions	-	-
Actuarial (Gain)/ Loss on obligations - due to change in financial assumptions	4.58	1.07
Actuarial (Gain)/ Loss on obligations - due to change in experience	1.89	1.53
Remeasurement - (return)/ loss on plan assets excluding amount included in net interest income	(0.55)	(0.22)
Recognized in Other Comprehensive Income	5.92	2.38
vi) Actuarial assumptions		
Discount rate - Current	6.15%	7.07%
Expected rate of return on plan assets	6.15%	7.07%
Salary Escalation - Current	7.00%	7.00%
Attrition rate	18.00%	18.00%
Discount rate for Expleo Solutions FZE	1.92%	3.24%
Attrition rate for Expleo Solutions FZE	3.00%	3.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Defined Benefit Plan - Gratuity (contd.)

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
vii) Sensitivity Analysis		
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:		
Impact on defined benefit obligation		
Delta effect of +0.5% Change in Rate of discounting	100.62	90.51
Delta effect of -0.5% Change in Rate of discounting	104.81	94.84
Delta effect of +0.5% Change in Rate of Salary Escalation	104.81	94.85
Delta effect of -0.5% Change in Rate of Salary Escalation	100.57	90.45
Delta effect of +0.5% Change in Rate of Employee turnover	102.48	92.56
Delta effect of -0.5% Change in Rate of Employee turnover	102.82	92.70
Methodology adopted for asset liability management (ALM)	Projected Unit Credit Method	Projected Unit Credit Method
Refer note 28.2 (ii) below		
viii) Maturity profile of defined benefit obligation		
The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of gratuity is as follows:		
Rs. In Millions		
Projected benefits payables in future years from the date of reporting	For the year ended March 31, 2020	For the year ended March 31, 2019
1st Following year	16.38	15.25
2nd Following year	16.01	14.97
3rd Following year	15.00	13.92
4th Following Year	13.99	12.68
5th Following year	13.06	11.46
Sum of year 6 to 10 years	47.06	39.81
ix) Category of Plan assets		
Funds managed by the Insurer	100%	100%
x) Risk exposure		
This does not apply to the Company since it invests in the traditional plan of LIC, for which the underlying assets are not known to the policy holders.		

Note 28.2 :

- (i) The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans based on short term expected pay-outs in line with the actuary's recommendations.
- (ii) Usefulness & methodology adopted for sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not to be true on different count. This only signifies the change in the liability if the difference between assumed & the actual is not following the parameters of the sensitivity analysis.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 29 : Financial Instruments- Fair Values and Risk Management

- a) The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2020	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through OCI*	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Security deposits - non current	-	-	17.31	17.31	-	18.11	-	18.11
Trade receivables	-	-	759.04	759.04	-	-	-	-
Cash and cash equivalents	-	-	789.92	789.92	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	82.55	82.55	-	-	-	-
Security deposits - current	-	-	6.03	6.03	-	-	-	-
Loan given to Related Party	-	-	46.83	46.83	-	-	-	-
Interest accrued on fixed deposits	-	-	0.76	0.76	-	-	-	-
Export Incentive Receivable	-	-	34.44	34.44	-	-	-	-
Unbilled Revenue	-	-	25.21	25.21	-	-	-	-
Total	-	-	1,762.09	1,762.09	-	18.11	-	18.11
Financial Liabilities:								
Lease Liability - Non Current	-	-	65.38	65.38	-	-	-	-
Lease Liability - Current	-	-	18.75	18.75	-	-	-	-
Trade payables	-	-	118.12	118.12	-	-	-	-
Other current financial liabilities	-	-	268.13	268.13	-	-	-	-
Total	-	-	470.38	470.38	-	-	-	-

* OCI represents Other Comprehensive Income

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
Note 29 : Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2019	Carrying Amount				Fair Value			
	Fair value through profit or loss	Fair Value through OCI*	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:								
Security deposits - non current	-	-	8.79	8.79	-	8.82	-	8.82
Trade receivables	-	-	457.24	457.24	-	-	-	-
Cash and cash equivalents	-	-	978.92	978.92	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	8.06	8.06	-	-	-	-
Security deposits - current	-	-	29.14	29.14	-	-	-	-
Loan given to Related Party	-	-	45.24	45.24	-	-	-	-
Interest accrued on fixed deposits	-	-	0.11	0.11	-	-	-	-
Export Incentive Receivable	-	-	50.44	50.44	-	-	-	-
Unbilled Revenue	-	-	25.28	25.28	-	-	-	-
Other Receivables	-	-	0.80	0.80	-	-	-	-
Total	-	-	1,604.02	1,604.02	-	8.82	-	8.82
Financial Liabilities:								
Trade payables	-	-	80.98	80.98	-	-	-	-
Other current financial liabilities	-	-	318.74	318.74	-	-	-	-
Total	-	-	4,548.52	4,548.52	-	-	-	-

* OCI represents Other Comprehensive Income

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3 during the current year and previous year.

b) Measurement of Fair Value

The Group uses Discounted Cash Flow valuation technique (in relation to fair value of asset measured at amortised cost) which involves determination of present value of expected receipt/ payment discounted using appropriate discounting rates. The fair value so determined are classified as Level 2.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 29 : Financial Instruments- Fair Values and Risk Management (Contd.)

c) Financial Risk Management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit and liquidity, which may impact the fair value of its financial instruments. The Group assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Group.

(i) Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses, both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk of existing customer is controlled by continuous monitoring of the collections trend of each customer on a periodical basis. With respect to a new customer, the Company uses an external/ internal sources to assess the potential customer's credit quality.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Group result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group generally invests in Fixed deposits with banks having high credit ratings.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is Rs. 1,762.09 Million (Previous Year: Rs. 1,604.02 Million) being the total of the carrying amount of trade receivables, cash and cash equivalents, other balances with banks, loans and other financial assets.

Trade Receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Group assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Before accepting any new customer, the Group uses an external/ internal source to assess the potential customer's credit quality. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

The following table gives the details in respect of the amount and percentage of trade receivables from a major customer:

Particulars	Rs. In Millions	
	As at March 31, 2020	As at March 31, 2019
Trade Receivables from a major customer	-	52.09
Percentage of Trade Receivables from a major customer	0.00%	11.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
Note 29 : Financial Instruments- Fair Values and Risk Management (Contd.)

The movement in the expected credit loss allowance is as follows: Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	0.34	1.34
Impairment loss (reversed)	(0.32)	(1.00)
Balance at end of the year	0.02	0.34

(ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Group exposure to market risk is primarily on account of foreign currency exchange rate risk.

a) Foreign Currency exchange rate risk

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in USD, EURO and GBP against the functional currency of the Group. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Exposure in Foreign Currency (FCY) - Unhedged

Particulars	FCY	As at March 31, 2020		As at March 31, 2019	
		Amount in FCY (in Millions)	Amount in Rs. (in Millions)	Amount in FCY (in Millions)	Amount in Rs. (in Millions)
Trade Receivables	GBP	1.22	113.64	1.24	112.43
Trade Receivables	USD	3.01	227.10	1.78	123.14
Trade Receivables	EUR	2.97	246.49	1.94	150.68
Cash and Cash Equivalents	GBP	2.40	222.98	2.82	255.52
Cash and Cash Equivalents	USD	0.88	66.42	1.18	81.45
Cash and Cash Equivalents	EUR	2.73	226.48	5.68	452.27
Loans	USD	*	0.03	0.20	15.54
Loans	GBP	0.50	46.83	0.50	45.24
Other Current Financial Assets	USD	0.48	36.28	1.01	69.55
Other Current Financial Assets	GBP	0.02	1.52	-	-
Trade Payables	GBP	0.73	68.07	0.01	0.54
Trade Payables	USD	0.02	1.59	0.11	7.44
Trade Payables	EUR	0.18	14.60	0.03	2.24
Other Current Financial Liabilities	GBP	0.27	24.68	0.41	37.72
Other Current Financial Liabilities	USD	0.16	11.85	0.37	5.51
Other Current Financial Liabilities	EUR	0.34	28.37	0.49	37.95

*Denotes amounts in respective foreign currency less than 5,000/-.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020
Note 29 : Financial Instruments- Fair Values and Risk Management (Contd.)

Sensitivity Analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Rs. In Millions	
	Impact on profit after tax	
	For the year ended March 31, 2020	For the year ended March 31, 2019
GBP Sensitivity		
INR/GBP - Increased by *	14.61	18.75
INR/GBP - decreased by *	(14.61)	(18.75)
USD Sensitivity		
INR/USD - Increased by *	15.82	13.06
INR/USD - decreased by *	(15.82)	(13.06)
EUR Sensitivity		
INR/EUR - Increased by *	21.50	28.14
INR/EUR - decreased by *	(21.50)	(28.14)

* Holding all other variables constant

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates to investments in short-term fixed deposits, which do not expose it to significant interest rate risk.

(iii) Liquidity Risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date:

As at March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
		Financial Liabilities				
Non-Current						
Other non-current financial liabilities - Lease Liability	65.38	65.38	-	14.44	50.94	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 29 : Financial Instruments- Fair Values and Risk Management (Contd.)

Rs. In Millions

As at March 31, 2020	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Current						
Trade Payables	118.12	118.12	118.12	-	-	-
Other current financial liabilities - Lease Liability	18.75	18.75	18.75	-	-	-
Other Current Financial Liabilities - Others	268.14	268.14	268.14	-	-	-

Rs. In Millions

As at March 31, 2019	Carrying amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Current						
Trade Payables	80.98	80.98	80.98	-	-	-
Other Current Financial Liabilities	318.74	318.74	318.74	-	-	-

Note 30 : Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders. The Group is not subject to any externally imposed capital requirements.

Note 31 : Employee Stock Option Plan

a) The Group provides share based payment schemes to its employees. During the year ended March 31, 2019, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

On April 29, 2011 the Board of Directors approved the equity settled ESOP scheme 2011 (Scheme 2011) for issue of stock options to the key employees and directors of the Company setting aside 1,005,100 options under this scheme. According to the Scheme 2011, the employees selected by the Remuneration Committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions, viz., continuing employment of 3 years. The contractual life (comprising vesting period and exercise period) of options granted is 8 years. The other relevant terms of the grant are as below:

Particulars	Options granted on October 25, 2012
Vesting period	3 years
Exercise period	5 years
Exercise price	Rs.114.70
Market price on the date of grant	Rs.114.70

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The details of activity under the Scheme 2011 are summarized below:

Rs. In Millions

Particulars	March 31, 2020		March 31, 2019	
	No. of options	Weighted Average Exercise price (WAEP)	No. of options	Weighted Average Exercise price (WAEP)
Outstanding at the beginning of the year	-	-	3,000	114.70
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	3,000	114.70
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The weighted average fair value of stock options granted during the year - No Options have been granted during the year or during the previous year.

- b)** The Holding Company, Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany had granted 20,000 stock options to senior employees of the Group in March, 2016. These options would vest over a period of four years from the date of the grant i.e. March 18, 2016 and would be exercised within five years from the end of the vesting period i.e. May 31, 2025. The Holding Company did not charge any cost for this benefit.

During the Financial Year 2017-18, the shares of Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), got acquired by Assystems Services Deutschland GmbH including the stock options. This resulted in vesting of the aforementioned options on an accelerated basis and the stock options were exercised and settled in the previous year. There were no outstanding options at the end of the previous year and hence no contractual life of options outstanding at the end of March 31, 2018 and March 31, 2019. The opening balance of stock options as at April 01, 2017 and the options exercised during the Financial Year 2017-18 were 20,000 stock options. The weighted average price as at April 01, 2017 was Rs. 418.27 and the exercise price was Rs. 744.98.

Fair Value of options granted

The fair value of the option at the grant date of Rs. 65.14 (GBP 0.685) as been determined as the difference between the weighted average of the share price at the date of grant as reduced by the exercise price.

The Exercise price of the stock option at the date of grant by Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG), Germany was determined as follows:

The Option Price was based on the average (mean) of the closing prices for Depository Interests of the Company (ISIN DE 005493514) on the AIM segment of the London Stock Exchange (hereinafter the "AIM Trading") determined in British Pound ("GBP") on the last 20 trading days preceding the day of the offer to subscribe ("Reference Price") minus a deduction of 15% from the Reference Price.

These stock options were accounted for as an equity settled share based payment transaction in the consolidated financial statements of the Group in accordance with Ind AS 102 'Share Based Payments'.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 32: Buy back

The Shareholders approved the proposal of Buyback of Equity Shares recommended by the Board of Directors, in its meeting held on January 31, 2019, through the postal ballot that concluded on March 28, 2019.

The buyback was offered to all eligible Equity Shareholders of the Company (other than the Promoters, the Promoter Group and Persons in control of the Company) under the tender offer route on a proportionate basis. The tender period for the buyback opened on May 30, 2019 and closed on June 13, 2019.

The Company has bought back and extinguished 4,60,896 Equity Shares at an average buyback price of Rs. 550/- per equity share, constituting approximately 4.30% of the pre-buyback paid-up Equity Share Capital of the Company. The buyback resulted in Rs. 261.11 Million (including Rs. 7.6 Million towards transaction cost of buy-back) cash outflow. The Company funded the buyback from its free reserves (i.e. Securities Premium and Retained Earnings).

The Company has in accordance with the provisions of Section 69 of the Companies Act, 2013, created 'Capital Redemption Reserve' amounting to Rs. 4.61 Million equal to the nominal value of the shares bought back as an appropriation from Retained Earnings.

Note 33 : Asset pledged as security

The Group has a bank guarantee facility with a bank which is secured by Fixed deposits (Previous year secured by hypothecation of book debts) of the Company, both present and future. There is no outstanding amount due on this account as at the end of the current year and the previous year.

Particulars	Rs. In Millions	
	As at March 31, 2020	As at March 31, 2019
Current		
Financial Assets		
First Charge		
Current Assets - Fixed deposit	10.00	-
Current Assets - Trade Receivables	-	254.94
Total assets pledged as security	10.00	254.94

Note 34: Disclosure required under Ind AS 116 "Leases"

The Group has entered into operating leases for its office buildings. These leases have terms of 3 to 6 years. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2020 is Rs. 84.13 Million.

The Group has used modified retrospective approach as per para C5(b) of Ind AS 116. Accordingly, as per para C7 of Ind AS 116, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 116 is Rs. Nil and hence there is no adjustment on the opening balance of the retained earnings.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

The Group used a practical expedient, and did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application. The lease payments

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

associated with these amounting to Rs. 3.90 Million are recognised as expenses on a straight line basis over the lease term.

On transition to Ind AS 116, the Group recognised right-of-use assets amounting to Rs. 106.18 Million and related accumulated depreciation amounting to Rs. 23.24 Million (refer Note 3).

The movement in Lease Liabilities during the year ended March 31, 2020 is as follows :

Particulars	Rs. In Millions
	As at March 31, 2020
Liability as at April 1, 2019	101.30
Interest expenses	10.60
Payment of Lease Liabilities	(27.77)
Liability as at March 31, 2020	84.13

The Lease Liabilities amounting to Rs 84.13 Million comprises of Non Current Lease liabilities of Rs. 65.38 Million (refer Note 16) and current lease liability of Rs. 18.75 Million (refer Note 18) as at March 31, 2020. The contractual maturities of lease liabilities as at March 31, 2020 is disclosed in Note 29.

The incremental borrowing rates derived by a valuer, on the basis of the borrowing rate for each lease contract for the remaining life of the lease contract, adjusted with the credit profile of the Group, are used for each of the office buildings separately and the average lessee's incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application ranges from 12.17% to 12.59%.

Reconciliation between operating lease commitments disclosed in financials as at March 31, 2019 applying Ind AS 17 (discounted) and lease liabilities recognised in the statement of financial position as at April 1, 2019 i.e. date of initial application.

	Rs. In Millions
Opening Balance of Lease as at March 31, 2019	63.54
Additional Lease commitments based on expected extension of Lease term	37.76
Lease liability as at April 1, 2019	101.30

Note: The Opening balance of lease excludes the properties which are not considered as lease as per Ind AS 116.

Note 35 : Contingent Liabilities and Commitments

Particulars	Rs. In Millions	
	As at March 31, 2020	As at March 31, 2019
a) Contingent Liabilities		
(i) Claims against the Company not acknowledged as debt :		
Service Tax related matters	786.38	786.38
Income Tax related matters	116.07	104.19
(ii) Guarantees		
Counter Guarantees issued to bank	3.09	5.04
b) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance)	1.67	0.46

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

The Service Tax Authorities had made a demand for Rs.329.14 Million along with interest and penalty for an equivalent amount, towards tax leviable for certain services rendered by the Group for the period April, 2011 to March, 2016. The Service Tax Authorities had also made a demand for Rs. 126.90 Million along with interest and penalty of Rs.1.2 Million towards tax leviable for certain services rendered by the Group for the period April, 2016 to June, 2017. The Group has filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) for both the demands and the Management expects it's position to be upheld by the Authorities in respect of both the demands.

Contingent liabilities include demand from the Income tax authorities for payment of additional tax of Rs. 114.89 Million for the fiscal years 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18. The tax demand is mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A/10AA of the Income Tax Act and also other expenses disallowed. The Company has filed appeals before CIT (Appeals), ITAT and Madras High Court. The Group has also paid an amount of Rs. 32.73 Million (after adjusting the refund of Rs. 10.74 Million related to earlier years), towards the outstanding demand (under protest). The Management believes that its position in respect of all the years will be upheld by the Authorities.

Note 36 : Foreign Exchange Difference

The amount of exchange loss included in the Statement of Profit & Loss is Rs. 60.56 Million (Previous Year: Gain of Rs. 22.65 Million).

Note 37 : Segment Information

The Company's Board of Directors along with its Chief Operating Decision Maker (CODM) examines the Group's performance and has identified a single reportable segment namely as "Software Validation and Verifications Services" related to banking, financial services and insurance industry. The Board of Directors primarily uses a measure of adjusted Earnings Before Interest and Tax (EBIT) and profit before tax to assess the performance of the operations.

The geographic information analyses the Group's revenue and Non-Current Assets by the Holding Company's country of domicile and other countries. The Holding Company is domiciled in India. In presenting the geographical information, revenue in the disclosure below is based on the geographic location where the service is rendered. Non-Current Assets other than financial instruments and deferred tax assets in the disclosure below are based on the geographic location of the Non-Current Assets.

The amount of the revenue from the external customer broken down by location of the customer and Non-Current Assets are shown in the tables below:

Particulars	Rs. In Millions	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales revenue by geographical market		
Within India	352.24	226.31
Outside India	2,341.80	2,601.42
Total	2,694.04	2,827.73

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Rs. In Millions

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Assets other than financial instruments and deferred tax assets by geographical market		
Within India	331.68	258.23
Outside India	4.65	5.89
Total	336.33	264.12

Rs. In Millions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from major customers		
Customers individually contributing more than 10% of total revenue	400.67	569.76
Other Customers	2,293.37	2,257.97
Total	2,694.04	2,827.73

Note 38 : Additional Information, as required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as subsidiaries

Name of the entity	Net Assets i.e. total assets minus liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount (Rs. In Millions)	As % of consolidated profit or loss	Amount (Rs. In Millions)	As % of consolidated OCI	Amount (Rs. In Millions)	As % of TCI	Amount (Rs. In Millions)
As at March 31, 2020								
Parent	86%	1,312.28	88%	349.68	108%	(4.67)	87%	345.02
Subsidiaries								
Foreign								
1) Expleo Solutions Pte. Ltd. Singapore	2%	28.39	3%	13.79	-	-	3%	13.79
2) Expleo Solutions Inc (formerly known as SQS BFSI Inc), USA	1%	22.19	3%	11.75	-	-	3%	11.75
3) Expleo Solutions UK Limited UK.	12%	181.13	3%	13.75	-	-	3%	13.75
4) Expleo Solutions FZE (formerly known as SQS BFSI FZE), UAE	(1%)	(16.33)	3%	10.05	(8%)	0.34	3%	10.39
Sub-total	14%	215.38	12%	49.34	(8%)	0.34	13%	49.68
Non-controlling interests in all Subsidiaries	-	-	-	-	-	-	-	-
Grand total	100%	1,527.66	100%	399.03	100%	(4.33)	100%	394.70

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Name of the entity	Net Assets i.e. total assets minus liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of consolidated net assets	Amount (Rs. In Millions)	As % of consolidated profit or loss	Amount (Rs. In Millions)	As % of consolidated OCI	Amount (Rs. In Millions)	As % of TCI	Amount (Rs. In Millions)
As at March 31, 2019								
Parent	82%	1,140.57	87%	313.90	100%	(1.55)	87%	312.35
Subsidiaries								
Foreign								
1) Expleo Solutions Pte. Ltd. Singapore	6%	76.69	4%	14.88	-	-	4%	14.88
2) SQS BFSI Inc, USA	2%	28.09	4%	15.47	-	-	4%	15.47
3) Expleo Solutions UK Limited UK	11%	156.82	3%	9.54	-	-	3%	9.54
4) SQS BFSI FZE, UAE	(1%)	(13.72)	2%	8.23	-	-	2%	8.23
Sub-total	18%	247.88	13%	48.12	-	-	13%	48.12
Non-controlling interests in all Subsidiaries	-	-	-	-	-	-	-	-
Grand total	100%	1,388.45	100%	362.02	100%	(1.55)	100%	360.47

Note 39: Disclosures as required under Ind AS 24 'Related Party Disclosures'

a) Related Parties and their relationships

(i) Ultimate Holding Entities:

Ardian LBO Fund VI B

Assystem SA, France

(ii) Holding Company:

Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)

(iii) Key Management Personnel (KMP):

Aarti Arvind - Managing Director & CEO (Upto August 31, 2018)

Balaji Viswanathan - Managing Director & CEO (w.e.f. September 01, 2018)

K. Ramaseshan - Executive Director (Upto July 17, 2018) and Chief Financial Officer (CFO) (Upto September 21, 2018)

David Bellin - Chairman & Non-Executive Director (upto May 4, 2018)

René Gawron - Chairman and Non-Executive Director (Chairman w.e.f. January 31, 2019, upto October 15, 2019)

Prof. K. Kumar - Deputy Chairman & Independent Director

Prof. S. Rajagopalan - Independent Director

Lilian Jessie Paul - Independent Director

Rajiv Kuchhal - Independent Director

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Ulrich Bäumer - Independent Director

Ralph Franz Gillessen - Non-Executive Director (w.e.f. August 9, 2018)

Diederik Vos- Chairman & Non-Executive Director (Chairman w.e.f May 04, 2018, upto January 2, 2019) (Non-Executive Director w.e.f. October 26, 2017 upto January 2, 2019)

Olivier Aldrin - Non-Executive Director (w.e.f January 31, 2019)

Desikan Narayanan - Chief Financial Officer (CFO) (w.e.f. September 24, 2018)

Phani Thangirala - Senior Director - BFSI (w.e.f April 1, 2019)

(iv) Fellow Subsidiaries

Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)

Expleo Technology Egypt (formerly known as SQS Software Quality Systems Egypt S.A.E)

Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges.mbH, Austria)

Expleo Technology UK Limited (formerly known as SQS Group Limited)

Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)

Expleo Netherlands B.V. (formerly known as SQS Nederland)

Expleo South Africa (PTY) Limited (formerly known as SQS Group Limited, South Africa)

SQS Group Ltd, Belfast, Ireland

Expleo Technology USA Inc (formerly known as SQS USA Inc.)

Expleo Technology USA Inc (formerly known as Trissential LLC)

Expleo Technology USA Inc (formerly known as SQS North America LLC)

Expleo Stockholm AB

Expleo Canada Inc.

Expleo Iberia S.L.U

(v) Post employment benefit plan

Expleo Solutions Employees' Group Gratuity Scheme (formerly known as SQS India BFSI Ltd Group Gratuity Scheme)

(vi) Consolidating Company

Expleo Group SAS, France

(vii) Entities under common control

Expleo France SASU

Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited)

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

Note 39: Disclosures as required under Ind AS 24 'Related party Disclosures' (Contd.)

b) Transactions with Related Parties

Particulars	Nature of Relationship	Name of the Related Party	Rs. In Millions	
			For the year ended March 31, 2020	For the year ended March 31, 2019
Income				
Income from Services rendered	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	7.61	24.52
	Consolidating Company	Expleo Group SAS, France	2.12	-
	Fellow Subsidiary	Expleo Stockholm AB	1.31	-
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges.mmbH, Austria)	165.66	151.13
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS USA Inc.)	-	14.83
	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	125.53	156.63
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	193.35	120.24
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	2.81	4.05
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS North America LLC)	46.68	23.08
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	-	0.03
	Fellow Subsidiary	Expleo South Africa (PTY) Limited (formerly known as SQS Group Limited, South Africa)	16.19	14.63
	Interest on loan given	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	1.13
Expenses				
Managerial remuneration	KMP	Aarti Arvind *	-	6.91
	KMP	Balaji Viswanathan	16.31	9.94
	KMP	K. Ramaseshan	-	7.66
	KMP	Desikan Narayanan	6.60	3.99
	KMP	Phani Thangirala	10.08	9.48
Director's Sitting Fees and Commission	KMP	Prof. K. Kumar	1.40	1.39
	KMP	Prof. S. Rajagopalan	1.32	1.41
	KMP	Rajiv Kuchhal	1.26	1.25
	KMP	David Bellin	-	0.04

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
	KMP	Ulrich Bäumer	0.96	1.01
	KMP	Lilian Jessie Paul	1.16	1.19
Expenses for services rendered	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	6.16	4.92
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS USA Inc.)	-	6.37
	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	21.69	36.51
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	16.31	12.69
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS North America LLC)	-	0.41
	Fellow Subsidiary	Expleo Technology Egypt (formerly known as SQS Software Quality Systems Egypt S.A.E)	-	0.78
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	10.36	11.97
	Fellow Subsidiary	Expleo Canada Inc.	7.66	-
	Fellow Subsidiary	Expleo Iberia S.L.U	57.09	-
	Entity under common control	Expleo Services SASU, France	0.06	-
Other Transactions				
Loan Given	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	46.54	45.24
Contribution paid to the Group Gratuity Scheme	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme (formerly known as SQS India BFSI Ltd Group Gratuity Scheme)	11.00	15.00
Final dividend paid	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	-	115.18
Buy back of shares	KMP	Rajiv Kuchhal	4.86	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost Reimbursement Received	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	1.46	2.08
	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	0.04	3.20
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	0.12	0.40
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges.mbH, Austria)	8.50	11.45
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	2.31	1.04
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	-	0.11
	Fellow Subsidiary	Expleo South Africa (PTY) Limited (formerly known as SQS Group Limited, South Africa)	2.28	1.43
	Fellow Subsidiary	SQS Group Ltd, Belfast, Ireland	-	1.30
Cost Reimbursement Paid	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	0.37	-
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	3.86	5.68
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	2.82	-
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS USA Inc.)	0.97	1.47
	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	1.98	2.65
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS North America LLC)	0.15	-
	Fellow Subsidiary	Expleo Technology Egypt (formerly known as SQS Software Quality Systems Egypt S.A.E)	-	1.04

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as Trissential LLC)	0.29	-
	Entity under common control	Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited)	2.36	0.86

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
Outstanding Balances				
Amounts Receivable from	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	4.79	0.84
	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	23.76	42.25
	Fellow Subsidiary	Expleo Technology Ireland Limited (formerly known as SQS Software Quality Systems (Ireland) Limited)	60.73	12.00
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges.mBH, Austria)	51.31	41.58
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	0.75	0.95
	Fellow Subsidiary	Expleo South Africa (PTY) Limited (formerly known as SQS Group Limited, South Africa)	12.08	0.30
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS USA Inc.)	-	4.15
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS North America LLC)	17.37	8.76
Amounts Payable to	Holding Company	Expleo Technology Germany GmbH (formerly known as Expleo Technology Germany AG)	1.83	4.93
	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	16.83	41.11
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS USA Inc.)	0.30	-**

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

b) Transactions with Related Parties (Contd.)

Rs. In Millions

Particulars	Nature of Relationship	Name of the Related Party	As at March 31, 2020	As at March 31, 2019
	Fellow Subsidiary	Expleo India Infosystems Private Limited (formerly known as SQS India Infosystems Private Limited)	6.76	5.96
	Fellow Subsidiary	Expleo Group Austria GmbH (formerly known as SQS Software Quality Systems Ges.mbH, Austria)	1.86	-
	Fellow Subsidiary	Expleo Netherlands B.V. (formerly known as SQS Nederland)	2.09	1.34
	Fellow Subsidiary	Expleo Technology USA Inc (formerly known as SQS North America LLC)	-	0.08
	Fellow Subsidiary	Expleo Canada Inc.	7.66	-
	Fellow Subsidiary	Expleo Iberia S.L.U	39.93	-
	Entity under common control	Expleo Technologies India Private Limited (formerly known as Assystem Technologies India Private Limited)	0.17	0.80
	Post employment benefit plan	Expleo Solutions Employees' Group Gratuity Scheme (formerly known as SQS India BFSI Ltd Group Gratuity Scheme)	8.11	1.40
Provision for expenses	KMP	Balaji Viswanathan	3.39	2.76
	KMP	Desikan Narayanan	1.20	1.07
	KMP	Phani Thangirala	0.52	0.50
	KMP	Prof. K. Kumar	0.90	0.91
	KMP	Prof. S. Rajagopalan	0.90	0.91
	KMP	Rajiv Kuchhal	0.90	0.91
	KMP	Ulrich Bäumer	0.90	0.91
	KMP	Lilian Jessie Paul	0.90	0.91
Outstanding Balances of Loan given	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	46.54	45.24
Interest Receivable on loan	Fellow Subsidiary	Expleo Technology UK Limited (formerly known as SQS Group Limited)	0.29	0.28

* includes perquisite value of motor car and other benefits as per the service contract including incentive.

** Denotes an amount less than Rs. 5,000/-.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

c) Details of relating to Compensation paid to Key Managerial Personnel

Rs. In Millions				
Particulars	Nature of Relationship	Details	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee benefits expense	KMP	Short term benefits	32.99	28.44
		Post employment benefits***	-	-
		Other long term benefits***	-	-
		Termination benefits	-	-
		Share based payments	-	-
		Total		32.99

*** Remuneration to Key Managerial Personnel does not include charge for gratuity and compensated absences, as employee-wise breakup is not available.

Note 40: Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to the current year's classification.

Signatures to the Notes to the Consolidated Financial Statements.

For and on behalf of the Board

Prof. K. KUMAR
Deputy Chairman & Director

DIN : 02343860
Place : Bengaluru
Date : May 28, 2020

BALAJI VISWANATHAN
Managing Director & CEO

DIN : 06771242
Place : Bengaluru
Date : May 28, 2020

DESIKAN NARAYANAN
Chief Financial Officer

Place : Chennai
Date : May 28, 2020

S. SAMPATH KUMAR
Company Secretary & Compliance Officer

ICSI Membership No. F3838
Place : Chennai
Date : May 28, 2020

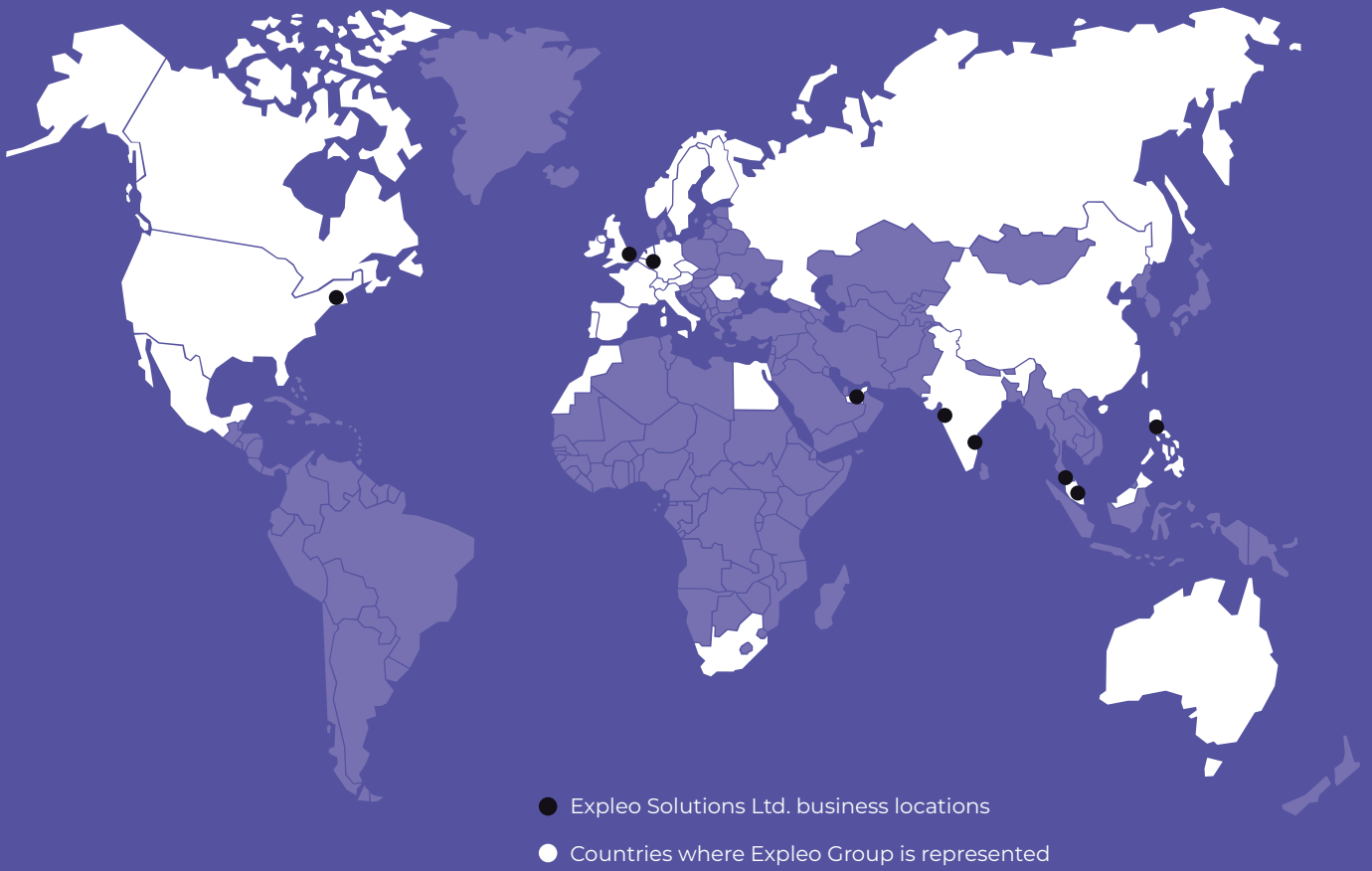
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Team Expleo Solutions at Inspire @ Chennai 2020

Expleo Solutions Ltd.

(formerly known as SOS India BFSI Ltd.)
6A, Sixth Floor, Prince InfoCity II,
No. 283/3 & 283/4, Rajiv Gandhi Salai (OMR)
Kandanchavadi, Chennai – 600 096, India
T. +91 44 43923200





EXPLEO SOLUTIONS LIMITED

(Formerly known as 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, Email: investor.expleosol@expleogroup.com, Web: www.expleosolutions.com CIN: L64202TN1998PLC066604

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of Expleo Solutions Limited (Formerly known as SQS India BFSI Limited) will be held on Thursday, August 27, 2020 at 3.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a) The Audited financial statements of the Company for the financial year ended March 31, 2020 with the reports of the Board of Directors’ and Auditor’s thereon.
 - b) The Audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and Auditor’s Report thereon.
2. To appoint a Director in place of Mr. Ralph Franz Gillessen (DIN - 05184138) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 at this Annual General Meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Mr. Martin Hodgson (DIN - 08720176) as Non-Executive Director.

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. Martin Hodgson (DIN - 08720176), who was appointed as an Additional Director by the Board of Directors of the Company with effect from April 9, 2020 and whose term of office expires at the ensuing Annual General Meeting 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 proposing 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 and 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.

**By order of the Board of Directors
For Expleo Solutions Limited
(Formerly known as SQS India BFSI Limited)**

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

Place : Chennai
Date : May 28, 2020

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No.20/2020 dated May 5, 2020 read with General Circular No.14/2020 dated April 8, 2020 and also the General Circular No.17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Since the AGM is being held in accordance with the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. Corporate members intending to attend the meeting through their Authorized Representatives are requested to send a duly certified copy of the Board Resolution / Power of Attorney to the Company through email to investor.expleosol@expleogroup.com authorizing their representatives to attend and vote at the meeting.
3. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, and in compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, electronic copy of the Notice of the 22nd Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website <https://expleogroup.com/expleo-solutions/financial/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
4. The relative Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the special business under Item No. 3 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM are also annexed.
5. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (the “Act”).
6. Participants, i.e. Members and other eligible persons to whom this notice is being circulated are allowed to submit their queries / questions etc. mentioning their name, DP ID and Client ID / Folio Number and Mobile Number at least 2 days before the AGM in advance to the e-mail address of the Company: investor.expleosol@expleogroup.com. Further, queries / questions may also be posed concurrently during the AGM through VC / OAVM.
7. **Members, who would like to ask questions during the 22nd AGM with regard to the financial statements or any other matter to be placed at the 22nd AGM, need to register themselves as a speaker** by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company’s email address investor.expleosol@expleogroup.com at least 2 days before the start of the 22nd AGM i.e. by 25th August, 2020 by 3.30 p.m. IST. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 22nd AGM, depending upon the availability of time.
8. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

9. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, the Notice of the 22nd AGM and the Annual Report for the year 2019-20 including therein the Audited Financial Statements for year 2019-20, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 22nd AGM and the Annual Report for the year 2019-20, can get their email address registered by following the steps as given below:
- a. For Members holding shares in physical form, please send an email request mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, to the Company's email address investor.expleosol@expleogroup.com
 - b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
10. Members and other eligible persons can attend this AGM through VC / OAVM at least 15 minutes before the scheduled start time and shall remain open until expiry of 15 minutes from the scheduled end time. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors who are allowed to attend the AGM without restriction on account of first come first served basis.
11. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 21, 2020 to Thursday, August 27, 2020 (both days inclusive) for annual closing.
12. The information under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, in respect of the Director seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Director has furnished the requisite declaration for his appointment / re-appointment.
13. Members whose shareholding is in the electronic mode are requested to direct change of address, nominations, e-mail ID notifications and update the savings bank account details with their respective depository participants. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends through NACH / NEFT / RTGS facility by providing latest bank account details for prompt credit and for avoiding fraudulent encashment / loss in postal transit of dividend demand draft. Members holding shares in physical form are requested to advise any change in their residential address or bank mandates immediately to the Company / Cameo Corporate Services Limited.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and Bank Account details to the Company / Cameo Corporate Services Limited.
15. All documents referred to in the notice requiring the approval of the Members at the Meeting and other statutory registers shall be available for inspection in electronic mode by the Members by writing an e-mail to: investor.expleosol@expleogroup.com during normal business hours on working days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general meeting.
16. In terms of requirements of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules 2016, as

amended ("the Rules"), the Company is required to transfer the shares, in respect of which the dividend remains unpaid or unclaimed for a period of seven consecutive years to the IEPF account established by the Central Government. During the year, the Company had accordingly transferred 316 Equity Shares pertaining to Final Dividend for the Financial Year 2011-12 and 171 Equity Shares pertaining to Interim Dividend for the Financial Year 2012-13 to the IEPF Authority. Members who have failed to encash their dividend warrants/demand drafts pertaining to the financial years from 2012-13 to 2017-18 are advised to immediately send requests to Company/ Registrar and Share Transfer Agent (RTA) to claim their dividends.

17. Any person whose shares has been transferred to the Fund, may claim the shares from the authority by submitting an online Application form IEPF-5 available on the website www.iepf.gov.in and after making an online application in form IEPF-5, copy of the same should be forwarded to the Company for verification of his claim.
18. The Company has uploaded the information in respect of the Unclaimed Shares Transferred to IEPF Authority in respect of the Final Dividend for the financial year 2011-12 and Interim Dividend for the Financial Year 2012-13 under "Investors Section" on the website of the Company, viz <https://expleogroup.com/expleo-solutions/corporate-governance/> - Transferred to IEPF.
19. Members holding shares in single name and physical form are advised to make nomination in Form SH-13 in respect of their shareholding in the Company. The nomination form can be obtained from the Company / Cameo Corporate Services Limited.
20. SEBI vide its notification dated June 08, 2018 has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly, as per the amended regulation transfer of shares or securities shall be mandatorily in demat form. Therefore, any request for effecting transfer of shares in physical form shall not be processed with effect from April 1, 2019 unless the shares are held in demat form. Only request for transmission and transposition in physical mode will be processed by the Company / RTA. In this regard, Members are requested to dematerialize / demat their shares or securities held in physical form.
21. All communications relating to shares may please be addressed to the Company's Registrar and Share Transfer Agent at the following address:

M/s. Cameo Corporate Services Limited
'Subramanian Building',
No.1, Club House Road, Chennai 600 002
Tel : 044 – 2846 0390 / 044 – 4002 0700
Email : investor@cameoindia.com
22. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

The procedure and instructions for e-voting are as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday, August 24, 2020 (9.00 a.m. IST) and ends on Wednesday, August 26, 2020 (5.00 p.m. IST). 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 Thursday, August 20, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) 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.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) 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)
	<ul style="list-style-type: none">• Shareholders 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.
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. <ul style="list-style-type: none">• 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 (v).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders 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 <Expleo Solutions Limited (formerly known as 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 and enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company at investor.expleosol@expleogroup.com / RTA at investor@cameoindia.com**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company at investor.expleosol@expleogroup.com / RTA at investor@cameoindia.com**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further, shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). These queries will be replied to by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vsureshpcs@gmail.com or investor.expleosol@expleogroup.com (designated email address by company), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM and e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor,

Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cDSLindia.com or call on 022-23058542/43.

Other Instructions:

- i) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- ii) The e-voting period commences on Monday, August 24, 2020 (9.00 a.m. IST) and ends on Wednesday, August 26, 2020 (5.00 p.m. IST) (both days inclusive). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Thursday, August 20, 2020, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iii) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date Thursday, August 20, 2020. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- iv) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares on the cut-off date i.e. Thursday, August 20, 2020, may obtain the login ID and password by sending an email to helpdesk.evoting@cDSLindia.com or investor.expleosol@expleogroup.com by mentioning their Folio No./DP ID and Client ID. However, if you are already registered with CDSL for e-voting, you can use your existing User ID and password for casting your vote.
- v) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- vi) The Board of Directors has appointed Mr. V. Suresh, Company Secretary in Practice (Membership No. FCS-2969 and CoP No. 6032), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vii) The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within 48 hours from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.
- viii) The Results shall be declared either by the Chairman or by any Person authorized by the Chairman in writing and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- ix) Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website www.expleosolutions.com and on the website of Central Depository Services Limited and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

INFORMATION AS REQUIRED UNDER REGULATIONS 26(4) AND 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING RE-APPOINTED / APPOINTED

Item no. 2: Re-appointment of Mr. Ralph Franz Gillessen (DIN 05184138):

Mr. Ralph Franz Gillessen (Aged 50 years) has a Master in Business Administration from Freie University, Berlin (1985).

Mr. Ralph Franz Gillessen (DIN 05184138) joined EXPLEO in 2002 and has worked in various senior sales and consultancy positions. He entered the SQS management board in January, 2013 and is member

of Expleo Group Executive Committee since January, 2018.

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.

Mr. Ralph Franz Gillessen does not hold any equity shares in the Company. Further, Mr. Ralph Franz Gillessen is not related to any other Director, Manager and other Key Managerial Personnel of the Company. He does not draw any remuneration from the Company.

Mr. Ralph Franz Gillessen joined the Board as Non-Executive Director on August 9, 2018.

During the financial year 2019-20, Mr. Ralph Franz Gillessen has attended 4 (Four) meetings of the Board.

Companies / Body Corporate [other than Expleo Solutions Limited (Formerly known as SQS India BFSI Limited)] in which Mr. Ralph Franz Gillessen holds directorships and committee memberships are as under:

Directorships:

1. Expleo Technology Germany GmbH
2. Expleo India Infosystems Private Limited
3. Expleo Germany Holding GmbH
4. Expleo Solutions INC., USA
5. Expleo Solutions FZE., UAE
6. Expleo Group Management Consulting Austria, Austria
7. Expleo Consulting Germany, Germany
8. Expleo Technology Egypt, Cairo, Egypt.
9. Expleo Group Austria, GmbH
10. Expleo Technology Ltd, UK
11. Expleo Technology Ireland LTD, Dublin, Ireland
12. SQS Software Quality Systems France SASU
13. Expleo Germany GmbH
14. Expleo Technology Switzerland AG
15. Silver Atena GmbH
16. Expleo Lightning Solutions GmbH
17. Expleo Nordic A B
18. Expleo Sweden AB
19. Expleo Stockholm
20. Expleo Consulting Sweden
21. Expleo Norway AS
22. Expleo Finland OY

Chairman of Board Committees:

None

Member of Board Committees:

None

Annexure to the Notice

Explanatory Statement Pursuant to Section 102(2) of the Companies Act, 2013 and Details in accordance with Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements), 2015.

Item no. 3: Appointment of Mr. Martin Hodgson (DIN - 08720176) as Non-Executive Director:

Mr. Martin Hodgson (DIN - 08720176) (Aged: 60 years) is the Additional Director of the Company. He joined the Board of Directors of the Company on April 9, 2020.

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. Martin Hodgson 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. Martin Hodgson 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. Martin Hodgson as a Non-Executive Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Martin Hodgson as a Non-Executive Director, whose appointment is liable to retire by rotation, for the approval by the shareholders of the Company.

Except Mr. Martin Hodgson, being an appointee, and Mr. Olivier Aldrin, Non-Executive Director, a Nominee Director of Expleo Group, (Formerly known as Assystem Group), Mr. Ralph Franz Gillissen, Non-Executive Director, a Nominee Director of Expleo Technology Germany GmbH, (Formerly known as 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.

Profile of Mr. Martin Hodgson (DIN - 08720176):

Martin Hodgson joined SQS / Expleo in end of 2015 to set up and build Management Consulting Division. He is the Executive Director of Management Consulting, responsible for consulting business globally and a Board member of Expleo Technology Germany GmbH, which is responsible for the QMC business.

He has built up his career in technology and consulting with Ford Motor Company for 10 years as system and business analyst and project and programme manager on complex global information technology programmes. He worked with Llyods Register of Shipping for 5 years, running IT Application and infrastructure development projects. He was also engaged with Global Programme Management Consultancy (Pcubed) for their European Operations and was promoted as Global CEO and been with them for a period of 15 years.

Martin is an Engineering Graduate from Cambridge University.

Mr. Martin Hodgson does not hold any equity shares in the Company. Further, Mr. Martin Hodgson is not related to any other Director, Manager and other Key Managerial Personnel of the Company. He does not draw any remuneration from the Company.

Companies / Body Corporate other than Expleo Solutions Limited (Formerly known as SQS India BFSI Limited) in which Mr. Martin Hodgson holds directorships and committee memberships are as under:

Directorships:

1. Expleo Solutions Pte. Ltd
2. Expleo Solutions UK Ltd
3. Expleo Solutions FZE, UAE
4. Change Advisors Ltd

5. Prospect House (Hallsands) Management Company Ltd
6. Moorhouse Consulting Ltd
7. Moorhouse Holdings Ltd
8. Expleo Technology Germany GmbH
9. Double Consulting Italy
10. Expleo Technology USA, INC

Chairman of Board Committees:

Nil

Member of Board Committees:

Nil

Mr. Martin Hodgson (DIN - 08720176), was appointed as an Additional Director of the Company by the Board of Directors of the Company with effect from April 9, 2020 and who holds office up to the date of this Annual General Meeting.

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

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

Place : Chennai
Date : May 28, 2020

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