



SEC/SE/189/18-19
Chennai, February 04, 2019

To

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

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

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

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CIN: L64202TN1998PLC066604

Securities & Exchange Board of India
SEBI Bhavan, Plot No.C4A,'G' Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

Dear Sirs,

Re: Proposed Buyback of Equity Shares of SQS India BFSI Limited (“Company”).

Subject: Filing of the Board Resolution passed by the Company on January 31, 2019, for approving the Buyback of Equity Shares of the Company, in terms of Regulation 5(vii) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

Further to our intimation dated January 28, 2019, please find enclosed the certified true copy of the Board Resolution passed by the Board of Directors of the Company at its meeting held on January 31, 2019, to approve the Buyback of Equity Shares by the Company of up to 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) fully paid up equity shares of face value of INR 10 (Indian Rupees Ten) each representing 4.30% of the total number of outstanding equity shares of the Company, at a price of up to Rs.550/- (Indian Rupees Five hundred and Fifty only) per equity share, for an aggregate amount of not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only), in accordance with the requirements of the Companies Act, 2013 read with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and the Companies (Share Capital and Debentures) Rules, 2014 (to the extent applicable), subject to the approval of the shareholders of the Company by means of a special resolution through postal ballot and regulatory approval(s) as may be required.

Thanking You

Yours faithfully
For SQS India BFSI Limited

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

Encl : Certified copy of Board Resolution.



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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF SQS India BFSI Limited ON THURSDAY, JANUARY 31, 2019

Resolved that pursuant to the provisions of Article 135 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, (the “**Companies Act**”), the Companies (Management and Administration) Rules, 2014, as amended (hereinafter referred to as “**Management Rules**”), the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”) to the extent applicable, and in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “**Buyback Regulations**”), including any amendments, statutory modifications or re-enactments, for the time being in force and, subject to the approval of members of the Company by special resolution and further, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (the “**Board**”, which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buyback by the Company of its fully paid-up equity shares of Rs. 10/- each (“**Equity Shares**”) not exceeding 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) Equity Shares (representing 4.30% of the total number of Equity Shares of the paid-up Equity Share capital of the Company) at a price of up to Rs. 550/- (Indian Rupees Five hundred and Fifty only) per Equity Share (the “**Buyback Price**”) payable in cash, for an aggregate amount not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand Eight Hundred Only) (excluding any expenses incurred or to be incurred for the buyback like filing fee payable to the Securities and Exchange Board of India (“**SEBI**”), advisors’ fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc.), (the “**Buyback Size**”), which is not exceeding 25% of the aggregate of the fully paid-up Equity Share capital and free reserves, as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018, in accordance with the Companies Act and the Buyback Regulations, from the existing shareholders/beneficial owners of the Company, as on record date, on a proportionate basis through a “**Tender Offer**” as prescribed under the Buyback Regulations (the “**Buyback**”). The total number of Equity Shares to be bought back, i.e. up to 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) Equity Shares (representing 4.3% of the total number of Equity Shares of the paid-up Equity Share capital of the Company) or higher depending upon the final Buyback Price fixed by the Buyback Committee (defined herein below).



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

Resolved further that the Buyback shall be made by the Company from its current surplus and/or cash balances and/or internal accruals of the Company and on such terms and conditions as the Board may decide from time to time in the absolute discretion of the Board as it may deem fit.

Resolved further that the Buyback shall be completed within a period of twelve months from the date of passing of the special resolution through postal ballot by the shareholders of the Company.

Resolved further that all of the shareholders of the Company, as on the record date, excluding the promoters and members of the promoter group, will be eligible to participate in the Buyback, except any shareholders who may be specifically prohibited under the Buyback Regulations or other applicable law.

Resolved further that 15% (fifteen per cent) of the Equity Shares that the Company proposes to Buyback or the number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date shall be reserved for small shareholders in accordance with the provisions of the Buyback Regulations.

Resolved further that the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (the “**Listing Regulations**”).

Resolved further that the Company shall not Buyback the locked-in Equity Shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the Equity Shares or other specified securities become transferable.

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

Resolved further that in terms of Regulation 24 (iii) of the Buyback Regulations, Mr. S. Sampath Kumar, Company Secretary, be and is hereby appointed as the Compliance Officer for the Buyback and Cameo Corporate Services Limited, is appointed as the investors service centre for compliance with the Buyback Regulations and to redress the grievances of the investors for the Buyback. Cameo Corporate Services Limited is also appointed as the Registrar to the Offer.



Resolved further that the draft of the Declaration of Solvency prepared in the prescribed form, placed before the meeting be and is hereby approved and any two of the following Directors, Mr. Balaji Viswanathan, Managing Director & CEO, Prof. K. Kumar, Deputy Chairman & Director, Prof. S. Rajagopalan, Director and Mr. Rajiv Kuchhal, Director, be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the Registrar of Companies, Chennai, the Securities and Exchange Board of India and any other regulatory, governmental and statutory authorities, as required under applicable law.

Resolved further that the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board Meeting and the date on which the shareholders of the Company approve the proposed Buyback will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards the Company's prospects for the year immediately following the date of this Board Meeting as well as for the year immediately following the date on which the shareholders of the Company approve the proposed Buyback will be declared approving the Buyback, and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting until a period of one year from the date on which the shareholders of the Company approve the proposed Buyback;
- c) that in forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act and the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

Resolved further that the Board is of the view that the healthy cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Buyback will help the Company achieve the following objectives:

- a) optimizing returns to shareholders;
- b) enhancing overall shareholders value; and
- c) optimize the capital structure of the Company.

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



Resolved further that the Board hereby confirms that:

- a) All the Equity Shares for Buyback are fully paid-up;
- b) That the Company, as per provisions of Section 68(8) of the Companies Act and Regulation 24(i)(f) of the Buyback Regulations shall not make further issue of the same kind of Equity Shares or other specified securities for a period of one year after the completion of the Buyback except by way of bonus shares or where the Equity Shares are issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;
- c) the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- d) that the Company shall not Buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- e) that the promoters and the persons in control of the Company shall not deal in the shares of the Company in stock exchange, or off-market, including inter-se transfer among the Promoters from date of passing this Board resolution till the date of closing of the Buyback;
- f) the Company shall not purchase equity shares under the Buyback from the promoters or persons in control of the Company;
- g) the Company may purchase equity shares under the Buyback from the key managerial personnel of the Company;
- h) that the Company shall not issue any shares or other specified securities including by way of bonus till the date of closure of the offer made under the Buyback Regulations;
- i) that the Company shall not withdraw the offer to Buyback after the draft letter of offer in relation to the Buyback is filed with the Securities and Exchange Board of India;
- j) that the Equity Shares bought back under the Buyback shall be cancelled and will not be held for re-issuance;
- k) that the Company will pay the Buyback consideration only by way of cash;
- l) that the debt equity ratio of the Company after the Buyback will be within the limit of 2:1 as prescribed under the Companies Act;
- m) that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks;
- n) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act;
- o) that funds borrowed from banks and financial institutions will not be used for the Buyback;



- p) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act;
- q) that the aggregate amount of the Buyback i.e. not exceeding Rs. 25,34,92,800/- (Rupees Twenty Five Crore Thirty Four Lakhs Ninety Two Thousand and Eight Hundred Only) does not exceed 25% of the aggregate of the fully paid-up Equity Share capital and free reserves, of the Company as per the latest audited standalone balance sheet of the Company as on March 31, 2018;
- r) that the maximum number of Equity Shares proposed to be purchased under the Buyback i.e. 4,60,896 (Four lakhs Sixty thousand Eight hundred and Ninety Six) Equity Shares, does not exceed 4.3% of the total number of Equity Shares in the paid-up Equity Share capital as per the audited standalone balance sheet as on March 31, 2018;
- s) That the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback.

Resolved further that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / misrepresentation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

Resolved further that ICICI Securities Limited, be and is hereby appointed as the lead manager to the Buyback in accordance with the terms of the Buyback Regulations, on such terms and conditions as may be mutually agreed between the lead manager and the Company.

Resolved further that ICICI Securities Limited, be and is hereby appointed as the registered broker to the Company to facilitate the process of the Buyback of Equity Shares through the tender offer on such terms and conditions as may be mutually agreed between the broker and the Company, and the Company do hereby open a broking account with the broker for the purposes of the Buyback.

Resolved further that Shardul Amarchand Mangaldas & Co, Advocates, be and is hereby appointed as the legal counsel to the Buyback on such terms and conditions as may be mutually agreed between the Indian Legal Counsel and the Company.

Resolved further that the common seal of the Company, if necessary, may be affixed in terms of the Articles of Association of the Company to such documents as are required to be so affixed for the purposes of the Buyback.

Resolved that Mr. Balaji Viswanathan, Managing Director & CEO, Prof. K. Kumar, Deputy Chairman & Director, Prof. S. Rajagopalan, Director, Mr. Rajiv Kuchhal, Director, Mr. Desikan Narayanan, Chief Financial Officer and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer, be and are hereby jointly and / or severally authorized to make the necessary application to any statutory, regulatory or governmental authorities as may be required under applicable law and to sign, execute, seal and endorse all such papers,



deeds, documents, agreements and forms, which are necessary and incidental, and further to do all such acts and deeds, matters and things that may be required in connection with the Buyback or for matters incidental thereto, filling all such documents, declarations, undertakings with appropriate authorities and completing such other formalities as may be required for the Buyback, and to give effect to the abovementioned resolutions.

Resolved that a Committee be and is hereby formed as “**Buyback Committee**” consisting of Mr. Balaji Viswanathan, Managing Director & CEO, Prof. K. Kumar, Deputy Chairman and Director, Prof. S. Rajagopalan, Director and Mr. Rajiv Kuchhal, Director, of the Company and the Buyback Committee be and are hereby jointly and / or severally authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper, as it may consider to be in the best interests of the shareholders, including but not limited to:

- (a) finalizing the terms of the Buyback including the mechanism for the Buyback, Record Date, entitlement ratio, schedule of activities, opening and closing date of the Buyback, time frame for completion of the Buyback and the final Buyback Price;
- (b) opening, operating and closing of all necessary accounts including bank accounts, depository account (including escrow) as per applicable law for the purpose of payment, and, authorizing persons to operate the said accounts;
- (c) entering into escrow arrangements as may be required in terms of the Buyback Regulations;
- (d) arranging for bank guarantees as may be necessary for the Buyback in accordance with applicable law;
- (e) preparation, finalisation, signing and filing of public announcement, the draft letter of offer/ letter of offer with the SEBI, Registrar of Companies, Chennai, the Stock Exchanges and other appropriate authority(ies);
- (f) signing, executing and delivering such other documents, deeds and writings and to do all such acts, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, Reserve Bank of India, Registrar of Companies, Chennai, stock exchanges, depositories and/or other appropriate authorities;
- (g) completing any process or requirements to procure approval of the members of the Company for the proposed Buyback during the postal ballot process;
- (h) approving the explanatory statement to be annexed to the meeting of the shareholders of the Company in relation to the proposed Buyback, if required;
- (i) appointment of lawyers, bankers, depository participants and other intermediaries, agencies, advisors, advertising agencies, consultants or representatives and to decide and settle the remuneration for all such intermediaries/ agencies/ persons, including by the payment of commission, brokerage, fee, charges etc and enter into agreements/ letters in respect thereof;



- (j) determining limits on the participation of the promoters of the Company in the Buyback, if any;
- (k) making all necessary applications, providing all necessary information and documents to, and representing the Company before third parties, including, statutory auditors, in relation to the Buyback;
- (l) taking all actions for obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;
- (m) taking all actions for extinguishment of dematerialised shares and physical destruction of the share certificates in respect of the Equity Shares bought back by the Company;
- (n) proposing the final acceptance of shares tendered under the Buyback process;
- (o) proposing and accepting any change(s) or modification(s) in the Buyback mechanism and the documents connected with the said Buyback including declaring a reduction/extension of the Buyback offer period, as may be deemed fit and necessary in compliance with applicable law;
- (p) dealing with stock exchanges (including their clearing corporations), where the equity shares of the Company are listed, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the “Streamlining the Process for Acquisition of Shares pursuant to Tender-Offers made for Takeovers, Buy Back and Delisting of Securities” as prescribed under the SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016;
- (q) settling and resolve any queries or difficulties raised by SEBI, stock exchanges, ROC and any other authorities whatsoever in connection to any matter incidental to and ancillary to the Buyback;
- (r) any other action as may be necessary for the completion of the Buyback; and
- (s) delegation of all or any of the authorities conferred above to any executive, officer and/or representative of the Company, in order to give effect to the Buyback.

Resolved further that the Buyback Committee be and is hereby authorised to delegate all or any of the authorities conferred on it to any Director(s) / Officer(s) / Authorised Representative(s) of the Company.

Resolved further that the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members.

Resolved further that the Company Secretary of the Company shall act as Secretary of the Buyback Committee.

Resolved further that for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorised to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.



Resolved further that Mr. Balaji Viswanathan, Managing Director & CEO and Mr. S. Sampath Kumar, Company Secretary and Compliance Officer of the Company, be and are hereby severally authorised to file necessary e-form with the Registrar of Companies, Chennai and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.

Resolved further that nothing contained herein shall confer any right on any shareholder to offer and/or any obligation on the Company or the Board to buyback any Equity Shares, and/or impair any power of the Company or the Board to terminate any process in relation to such buyback, if so permissible by law.

Resolved further that a certified true copy of this resolution, if necessary, be forwarded by the signature of any one of the aforesaid authorized persons to all such concerned departments and authorities.

-/ Certified True Copy/-
For SQS India BFSI Limited

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