

DELOITTE FINANCIAL ADVISORY SERVICES INDIA PRIVATE LIMITED
BOARD'S REPORT

To the Members,

The 17th Annual Report is being presented on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March 2020.

1. Financial Highlights

The financial statements for the financial year ended 31st March 2020, forming part of this Annual Report, have been prepared in accordance with the applicable Indian Accounting Standards (Ind - AS).

The key highlights of the audited financial results of the Company for the financial year 2019-2020 are provided below:

Particulars	(₹ Lakhs)	
	Current Financial Year (2020)	Previous Financial Year (2019)
Revenue from Operation	14,283	13,219
Other Income	599	310
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	2,534	2,366
Profit /loss before Finance Costs, Exceptional items and Tax Expense	2,198	2,278
Less: Finance Costs	173	39
Profit /loss before Exceptional items and Tax Expense	2,025	2,239
Add/(less): Exceptional items	NIL	NIL
Profit /loss before Tax Expense		
Less: Tax Expense (Current & Deferred)	839	652
Profit /loss for the year (1)	1,186	1,587
Total Comprehensive Income/(loss) (2)	150	(102)
Total (1+2)	1,336	1,485
Balance of profit /loss for earlier years	8,209	6,724
Less: Transfer to Reserves	NIL	NIL
Balance carried forward	9,545	8,209

2. Summary of operations

- During the year, the net revenue from operations of the Company increased by 8%, from ₹ 13,219 Lakhs to ₹ 14,283 Lakhs.
- The Company's profit after tax stood at ₹ 1,186 Lakhs vis-à-vis ₹ 1,587 Lakhs in the previous year.

3. Transfer to Reserves

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

4. Material changes and commitments affecting the Financial position of the Company

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

5. Brief description of the state of the Company's affairs during the year

There has been a sustained growth in the business of the Company. Details of the financial performance of the Company are given above.

6. Nature of business

The Company is established as a provider of routine back office support services to Deloitte Financial Advisory Services LLP. Effective May 31, 2015, the Company also contracts as a provider of routine back office support services to Deloitte Financial Advisory Services India Projects LLC.

There has been no change in the objects of the Company. Business is being conducted as per the objectives described in the Memorandum of Association of the Company. There has been no material change in the line or nature of business that the Company is operating in.

7. Dividend

The Board of Directors of the Company does not recommend payment of dividend for the year ended 31st March 2020.

8. Changes in Share Capital and Equity

As on 31st March 2020, the shares of your Company are held by the following shareholders:

Name of Shareholder	Shareholding in Percentage
Deloitte Financial Advisory Services Mauritius	99.998%
Deloitte Financial Advisory Services LLP	00.002%

During the financial year 2019-20, no fresh equity shares were issued or allotted. There was no change in the Share capital and Equity structure of the Company during the reporting period.

9. Board of Directors and Key Managerial Personnel

Composition of the Board:

The Board is constituted as per the provisions of the Companies Act, 2013. The Board at present comprises of the following directors:

#	Name of the Director	Director Identification Number	Title
1	Mr. Gregory Charles Swinehart	01674076	Director
2	Mr. Kevin Blaine Moss	01715517	Director
3	Mr. Ernest John Huntley IV	03281882	Director
4	Mr. John Arthur Walker	03299246	Director
5	Ms. Kerry Lynn Francis Jimerson	08780531	Additional Director
6	Mr. Pashupati Kumar	03279348	Director
7	Mr. Bruce McKee Stewart	02325223	Director

The following changes occurred in the composition of the Board of Directors during the Financial Year 2019-20:

S.No	Name	DIN	Designation	Appointment/Cessation	Effective date of change
1)	Chandrasekhar Katuri	06976491	Director	Cessation	01/06/2019
1)	Bruce McKee Stewart	02325223	-	Appointment (Additional Director)	15/07/2019
2)	Pashupati Kumar Venkatraman	03279348	-	Appointment (Additional Director)	10/09/2019
3)	Bruce McKee Stewart	02325223	Additional Director	Appointment (Director)	30/09/2019
4)	Pashupati Kumar Venkatraman	03279348	Additional Director	Appointment (Director)	30/09/2019

The following changes occurred in the composition of the Board of Directors after the Financial Year 2019-20:

Mr. John Trinta (DIN: 07322008) resigned from Directorship w.e.f. June 4, 2020.

Ms. Kerry Lynn Francis Jimerson (DIN: 08780531) was appointed as the Additional Director with effect from July 14, 2020. Her term of appointment of the Additional Directors is up to the ensuing Annual General Meeting. The Board recommends their appointment at the ensuing Annual General Meeting of the Company and the same is mentioned in the Notice of AGM, for the approval of members.

The Company has received and taken on record, the requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 2013.

10. Particulars of employees pursuant to Section 197

The provisions of Section 197 of the Companies Act 2013, read along with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to Private Companies.

11. Meetings of the Board

The Board of Directors of the Company held regular Board meetings throughout the year at regular intervals in compliance with Companies Act, 2013.

All the Board of Directors fulfilled the attendance criterion laid down under the Companies Act (every director has attended the meeting at least once during the financial year). Notice of the Board meeting is given well in advance to all the Directors and the agenda is circulated at least seven days in advance before the date of meeting. Explanatory notes and detailed statements giving clarification on the agenda items are included in the meeting agenda.

The Board of Directors met four times during the year. Dates on which Board meetings were held are:

Meeting No.	Date of Board Meeting
1	July 15, 2019
2	September 10, 2019
3	December 16, 2019
4	March 23, 2020

Attendances of the Directors during the meetings are as follows:

Date of the Meeting	Total Number	Directors in Attendance
July 15, 2019	5	2
September 10, 2019	6	4
December 16, 2019	7	3
March 23, 2020	7	6

The Corporate Social Responsibility Committee (CSR) met on September 10, 2019. The quorum for the meeting was formed between 2 Board members.

12. Managerial Remuneration

The Company had 07 Directors as on March 31, 2020. Details of remuneration paid to the Directors during the financial year are available in Note 25 of the Financial Statements for the financial year 2019-2020 which are attached herewith.

13. Details of Subsidiary/Joint Ventures/Associate Companies

The Company has no Subsidiaries, Joint Ventures or Associate companies as defined in Companies Act, 2013.

14. Statutory Auditors

M/s. Subbarao Vamanan & Co (Firm Registration No. 004086S), Chartered Accountants was appointed as Statutory Auditor of the Company in the 15th Annual general meeting of the Company for a term of five years.

15. Internal financial controls over financial reporting

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

An Internal Audit group acts as an independent internal team that reviews internal controls, operating procedures and systems. During the year, the internal audit team was in continuous evaluation of the internal control systems and mechanism.

16. Web link of the Annual Return

Pursuant to Section 92(3) and Section 134(3) (a) of the Companies Act, 2013, the copy of the Annual Return as on March 31, 2020 is made available at

https://www2.deloitte.com/ui/en/pages/careers/articles/corporate-governance.html?icid=top_corporate-governance.

17. Director's Responsibility Statement

The Directors of the Company state that: -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Board's comments on the remarks made by the Auditor in Auditors Report

The Directors have taken on record the Auditors' Report on the financial statements for the year ended 31st March 2020. The Auditors' Report is self- explanatory and has no qualification, reservation, disclaimer or adverse remarks on the financial statements.

19. Particulars of Loans, Advances, Guarantees and Investments

Pursuant to Section 186 of Companies Act, 2013, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

20. Risk management Policy

The Board of Company is vigilant of the market conditions and the general economic trends and finds no trends or elements of risks that may threaten the existence of the Company. In view of risk management, the Company has internal auditors, internal controls and compliance teams who work independently to review risk and controls of the Company.

21. Information Required under Sexual Harassment of Women at Work place (Prevention, Prohibition & Redressal) Act, 2013

Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a policy and framework for employees to report sexual harassment cases at workplace and its process ensures complete anonymity and confidentiality of information. Adequate workshops and awareness programs against sexual harassment are conducted across the organization.

The Company is in compliance under the 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' in India and its provisions relating to the constitution of Internal Complaints Committee. The Internal Complaints Committee follows the principle of natural justice and ensures a fair and impartial enquiry process.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. Particulars of contracts or arrangements with related parties

During the year, the Company has not entered into any material transactions with Related Parties which require disclosure in this Report in terms of the provisions of Section 188(1) of the Act. Accordingly, the disclosure required u/s 134(3) (h) of the Act in Form AOC-2 is not applicable to the Company.

Details of Related Party Transactions as required to be disclosed by Indian Accounting Standard (Ind- AS) – 24 in "Related Party Disclosures" specified under Section 133 of the Act read with the rules thereunder, are given in Note 25 of the financial statements.

23. Conservation of energy, technology absorption & foreign exchange earnings & outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed herewith. **(Annexure-I)**

24. Transfer of Amounts to Investor Education and Protection Fund (IEPF)

Pursuant to Section 125 of the Companies Act 2013 there is no unpaid or unclaimed fund in the Company, to be transferred to IEPF.

25. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) of the Company has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The Annual Report on CSR activities is enclosed as per prescribed format as **Annexure-II** and forms part of this report.

26. Deposits

The Company has not accepted any deposit during the financial year 2019-20 within the meaning of Section 73 of the Companies Act, 2013.

27. Details of significant and material orders passed by the Regulators/Courts/Tribunals impacting the going concern status and the Company's operations in future

There are no significant and material orders passed by the Regulators/Courts/Tribunals which would impact the going concern status of the Company and its future operations.

28. Maintenance of cost records

The provisions pertaining to maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are not applicable to the Company.

29. Secretarial Standards of ICSI

The Company is in compliance with the applicable Secretarial Standards specified by the Institute of Company Secretaries of India.

30. Acknowledgment

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from clients, vendors and members during the year under review and wish to place on record their deep sense of appreciation for the committed services by the Company's personnel.

For and on behalf of the Board of Directors of

Deloitte Financial Advisory Services India Private Limited

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VENKATRAMAN

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PASHUPATI
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VENKATRAMAN

KERRY LYNN
FRANCIS
JIMERSON

Digitally signed
by KERRY LYNN
FRANCIS
JIMERSON

Director: Pashupati Kumar Venkatraman

Director: Kerry Lynn Francis Jimerson

DIN: 03279348

DIN: 08780531

Place: Bengaluru

Place: San Francisco

Date: September 16, 2020

Date: September 16, 2020

(a) Conservation of energy

The operations of the company are not energy intensive. However adequate measures have been taken to conserve and reduce the energy consumption by using energy efficient hardware and other equipment.

(i)	the steps taken or impact on conservation of energy	Not Applicable
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipment's	

(b) Technology absorption

The company has not undertaken any R& D Activity in any specific area during the year under the review as it is not engaged in any of the specified activities.

The company continues to use state of the art technology for improving the productivity and quality of its services. To create adequate infrastructure, the company continues to invest in hardware and software.

(i)	the efforts made towards technology absorption	Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

(c) **Foreign exchange earnings and Outgo**

- a. Activities relating to exports, initiative taken to increase the exports, developments of new export markets for products and services and export plans

The company is 100% EOU registered with STPI and engaged in export of Services.

- b. Total Foreign exchange used and earned in Rupees

Particulars	(₹ Lakhs)	
	Year ended 31 st March 2020	Year ended 31 st March 2019
Expenditure in Foreign Currency	944	1,129
Earnings in Foreign Currency	14,283	13,219

For and on behalf of the Board of Directors of
Deloitte Financial Advisory Services India Private Limited

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Deloitte Financial Advisory Services India Private Limited

Board's report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20

- 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 and the composition of the CSR Committee.**

Brief outline of the Company's CSR policy: Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy. The CSR policy of Deloitte is governed with a focus on education, employability, environmental sustainability and animal welfare with primary emphasis on promoting education in India, including giving special attention towards education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled. The primary objective of the CSR policy is to govern and enhance employability of the future generations and enhance the sustainability of the non-profit organizations.

Reference to the web-link to the CSR Policy: The CSR policy is made available at https://www2.deloitte.com/ui/en/pages/careers/articles/corporate-governance.html?cid=top_corporate-governance

Composition of the CSR Committee: The CSR Committee of the Board comprises of four Directors as its members:

- a. Ms. Kerry Francis – Chairperson
- b. Mr. Bruce Stewart - Member
- c. Mr. John Walker – Member
- d. Mr. Pashupati Venkatraman – Member

		(₹ in Lakhs)
2	Average net profit of the Company for the last three financial years	1,997.68
3	Prescribed CSR Expenditure (@ 2% of Avg. Net Profit)	39.95
4	Details of CSR Spent during the financial year:	
	a. Total amount spent for the financial year	48.98*
	b. Amount unspent, if any	NIL
	c. Manner in which the amount is spent during the financial year	Details given below

**Note: Total amount spent for the financial year 2019-2020 includes carry forward amount of ₹ INR 623,483 from the previous years.*

1. Details of amount spent on CSR activities during the financial year 2019-20

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activities identified	Sector in which the Project is covered	Projects or Programs 1. Local Area or other 2. State and District where the program was undertaken	Amount Outlay (Budget) project or program wise (₹ in lakhs)	Amount spent on the projects or programs (₹ in lakhs) Sub-heads: 1.Direct expenditures on the projects or programs) 2.Overheads	Cumulative expenditure up to the reporting period (₹ in lakhs)	Amount Spent: Direct or through Implementing Agencies (with details of the Implementing Agency)
1	Swanthana - Holistic care and protection for mentally physically challenged girl children	Health	Bengaluru	4.53	4.53	4.53	United Way of Hyderabad & United Way of Bengaluru (Implementing agencies)
2	SAMA - School for Everyone - Ensuring education of children living in difficult condition (Differently abled Children)	Education	Bengaluru	9.98	9.98	9.98	United Way of Hyderabad & United Way of Bengaluru (Implementing agencies)
3	Youth 4 Jobs - Project Aawaz - English Language learning and Skill Development at Government schools for Speech and Hearing-Impaired students	Education	Hyderabad	15.52	15.52	15.52	United Way of Hyderabad (Implementing agency)
4	Sri Vidya - Care and special	Education	Hyderabad	17.80	17.80	17.80	United Way of Hyderabad

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	education for children with moderate to severe cognitive disabilities						(Implementing agency)
5	Other Projects	Education	Hyderabad and Bengaluru	1.15	1.15	1.15	United Way of Hyderabad & United Way of Bengaluru (Implementing agencies)
Total Direct Expenses				46.68	46.68	46.68	
Total Administration Expenses				2.31	2.31	2.31	
Grand Total				48.98	48.98	48.98	

2. ***In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount : Not Applicable.***

3. ***Responsibility statement***

The responsibility statement for CSR committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of CSR policy is in compliance with CSR objectives and the policy of the Company.

For and on behalf of the Board of Directors of

Deloitte Financial Advisory Services India Private Limited

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FRANCIS JIMERSON

Director: Pashupati Kumar Venkatraman

DIN: 03279348

Place: Bengaluru

Date: September 16, 2020

Chairperson CSR Committee: Kerry Lynn Francis Jimerson

DIN: 08780531

Place: San Francisco

Date: September 16, 2020