

eClerx Services Limited

CIN: L72200MH2000PLC125319

Regd Office: Sonawala Building,

1st Floor, 29 Bank Street, Fort,

Mumbai – 400 023, India.

Phone: +91-22-66148301 | Fax : +91 22 6614 8655

Email id : investor@eclerx.com | Website : www.eclerx.com

FORM A

Sr. No.	Particulars	Remarks
1	Name of the Company	eClerx Services Limited
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

For eClerx Services Limited



PD Mundhra
Executive Director

For Walker, Chandiook & Co LLP
(Formerly: Walker, Chandiook & Co)
Chartered Accountants



Khushroo B. Panthaky
Partner

For eClerx Services Limited



Biren Gabhawala
Director and Chairman of the Audit Committee



For eClerx Services Limited



Rohitash Gupta
Chief Financial Officer





Annual Report 2013-14

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Disclaimer : This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

eClerx is a registered trade mark of eClerx Services Limited.

About eClerx

WHO WE ARE

eClerx is a specialist Knowledge and Business Process Outsourcing (“KPO” / “BPO”) company providing operational support, data management, and analytics solutions to over 50 Global Fortune 1000 clients, including many of the world’s leading High Tech, and Industrial Manufacturing, Financial Services, E-Commerce, Retail and Distribution, Broadband, Cable & Telco, Interactive Media and Entertainment, Travel and Leisure, and Software Vendor companies. Incorporated in 2000, eClerx is India’s first publicly listed KPO company and is today traded on both the BSE Ltd. and National Stock Exchange of India Ltd.

OUR VALUES

Quality: Make it our religion

- Deepen knowledge of client people, processes, and systems
- Fulfill spoken, and unspoken client needs
- Data work means detail; focus zealously on it
- Help our clients be successful in their organisations

People: Attract and invest in the best

- Create a meritocratic 'up-or-out' culture
- Invest aggressively in recruiting and training
- Provide cross-functional transfer opportunities
- Encourage active work-life balance

Culture: Develop a professional, client-centric culture

- Create an environment of trust, openness, mutual respect, fairness, and equal opportunity
- Become an extension of your customer organisation
- Maintain the highest standards of ethics and integrity
- Respect the organisation, its goals, and the opportunities provided
- Nurture entrepreneurship
- Develop business capability through continuous competency development, knowledge harvesting and sharing

AWARDS AND ACCOLADES

- Listed in the Top 100 Best Outsourcing Providers list – Global Services 100
- Recognised in the 2013 IAOP Global Outsourcing 100 ranking and included in their 'Best 10 Companies for Marketing Services' and in the 'Best 20 Companies for Financial Management Services' sub-lists
- Won the European Outsourcing Association (EOA) Outsourcing Works – Award for Delivering Business Value in a Pan-European Outsourcing Project and the Company was finalists in four other categories
- Won the National Outsourcing Association (NOA) International Contract of the Year award and were finalists in five other categories
- Won the award for 'Leveraging IT for Business Performance' at the Best CIO awards
- Won the OTC Infrastructure Service of the Year award – Risk Magazine
- Won the 'Use of Technology for Operations Excellence' award at the BPO Excellence awards
- Won the MAKE India award for the third consecutive year for developing knowledge workers through senior management leadership
- Nominated as a runner up at Qimpro in the 'Service Improvement' category

What we do

Financial Services

- Trade Processing Support
- Reference Data Maintenance
- Contract Risk Review
- Reconciliation and Controls
- Margin and Exposure Management
- Metrics and Reporting
- Expense Management
- Accounting and Finance
- Consulting Services

Sales and Marketing Services

- Online Operations and Web Analytics
- CRM and Business Intelligence
- Data Management and Reporting
- Competitor Benchmarking and Pricing
- Quality and Compliance
- Business Process Consulting

Cable & Telecom Services

- 3rd Party Vendor Monitoring & Analysis
- Revenue Assurance & Account Accuracy
- Customer Interaction Measurement
- Chat End User Services
- Voice Provisioning
- Tiered Technical Support





Financial Services

eClerx enables financial institutions to balance these priorities by partnering with them to increase control, execute ongoing functions with a significant reduction in cost and accelerate change initiatives by providing domain specific re-engineering expertise. We provide a broad suite of services that allow our clients to operate on a day-to-day basis, including trade processing, reference data, accounting and finance and expense management activities. Our professional services practice includes consulting, business analysis, and solution testing.

Sales and Marketing Services

eClerx powers the operations of the Sales and Marketing divisions of some of the largest Fortune / FT / Internet Retailer 500 scale companies globally, augmenting bandwidth to drive greater quality and control to their digital operations, data management, and analytics needs.

Cable & Telecom Services

For the cable and telco industry, we offer a wide range of services that span all lines of business (data, video, and voice), all support channels (chat, email, and phone), and multiple functional areas (care, repair, billing, retention, sales and technical operations).

Where we are

REGISTERED OFFICE

eClerx Services Limited

CIN: L72200MH2000PLC125319

Sonawala Building, 1st Floor,

29 Bank Street, Fort, Mumbai – 400 023

Ph No.: +91 (22) 6614 8301

Fax No.: +91 (22) 6614 8655

Email: investor@eClerx.com

CORPORATE OFFICE

Indiabulls Finance Center,

1102, Tower-2, 11th Floor, 612/613,

S.B.Road, Elphinstone Road (West),

Mumbai – 400 013,

Maharashtra, India.

Ph No.: +91 (22) 6614 8300



**Maps are not to scale and show approximate locations only.*

DELIVERY CENTRES

SALES OFFICES

Ghatkopar - Raheja Plaza

301, 3rd Floor, Raheja Plaza-1,
L.B.S. Road, Ghatkopar (West),
Mumbai – 400 086,
Maharashtra, India.
Ph No.: +91 (22) 4094 3456
Fax No.: +91 (22) 4094 3605

Airoli

Building # 14, 4th & 5th Floor,
K Raheja Mindspace,
Plot # 3, TTC Industrial Area,
Thane Belapur Road,
Airoli, Navi Mumbai – 400 708,
Maharashtra, India.
Ph No.: +91 (22) 6114 1555
Fax No.: +91 (22) 6114 1333

Chandigarh

Agilyst Consulting Pvt. Ltd.
1st Floor, Towers A & B,
DLF Technology Park,
Chandigarh – 160 101, India.
Ph No.: +91 (172) 6633 600
Fax No.: +91 (172) 6633 623

Ghatkopar - ASM

202, Ashok Silk Mills Compound,
L.B.S. Road, Opp. Damodar Park,
Ghatkopar (West), Mumbai – 400 086,
Maharashtra, India.
Ph No.: +91 (22) 4047 5500
Fax No.: +91 (22) 6773 5600

Pune

Block 01, 5th Floor,
Quadron Business Park Limited,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase-II,
Pune – 411 057,
Maharashtra, India.
Ph No.: +91 (20) 4027 7990
Fax No.: +91 (20) 6676 4480

Pune II

2nd Floor, Block 4, Quadron
Business Park, Plot No. 28,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase II,
Pune – 411057,
Maharashtra, India

AMERICAS

286 Madison Avenue, 14th Floor,
New York, NY 10017,
United States of America
Ph No.: +1 212-551-4150

1800 John F Kennedy Blvd,
3rd Floor, Philadelphia,
PA 19103
Ph No.: +1 267-238-3800

EMEA

1 Dover Street, 1st floor,
London, W1S 4LA,
United Kingdom
Ph No.: +44 (0) 207 529 6000

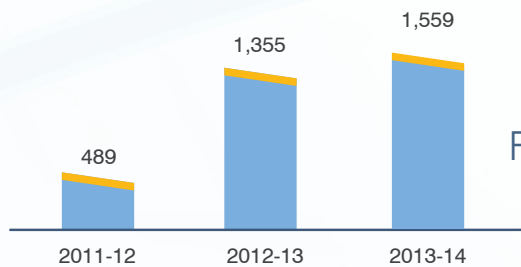
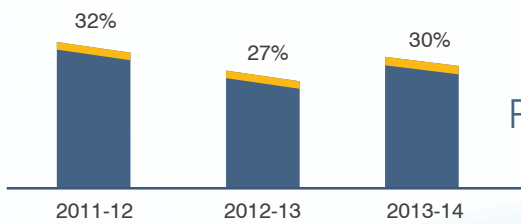
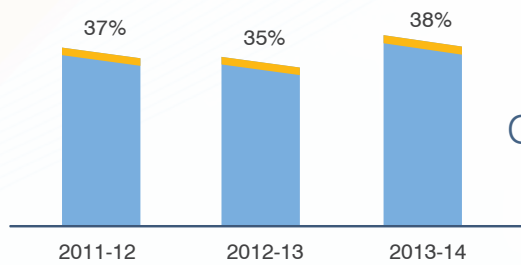
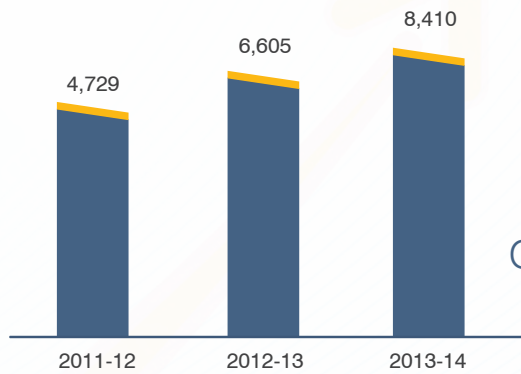
APAC

9 Battery Road,
#11-00 Straits Trading Building,
Singapore 049910
Ph No.: +65 (0) 6225 2988

Financial Highlights

(Rupees in million)

PARTICULARS	2011-12	2012-13	2013-14
Net Sales / Income from Operations	4,728.85	6,605.34	8,409.94
Other Income	223.00	-181.78	110.20
Earnings Before Interest, Depreciation, Taxes and Amortisation (EBIDTA)	2,120.38	2,364.75	3,645.98
Exceptional Items	-	21.17	-
Tax Expenses	393.76	393.37	759.14
Profit After Tax (PAT)	1,597.73	1,716.02	2,556.56
Equity Share Capital	290.59	298.75	301.77
Reserves excluding Revaluation	3,138.62	4,084.53	5,587.75
Earnings Per Share (In Rs.)			
- Basic EPS	55.14	58.33	85.14
- Diluted EPS	52.99	56.92	82.81



Chairman's Message

The year 2013-14 saw us increase US dollar revenues by 14% and operating profit by 40% over Financial Year 2012-13. Whilst our USD revenue growth was lower than what we have been able to achieve in the past, we had a strong profitability growth, aided in part of course by the weakened Indian Rupee in the year. Slow revenue growth was partly due to a more challenging business environment, and partly due the larger share of our business being driven by higher end consulting and project opportunities which ended during the year. Having said that, we have continued our growth trajectory and we exited the financial year at a revenue run-rate just short of USD 145 mm and this remains consistent with our longer term growth objectives. The year also saw the full integration of Agilyst as our Cable and Telecom Services (CTS) – complementing our more mature Financial Services and Sales and Marketing Services businesses. This business continued to demonstrate strong momentum in the year, adding clients and revenue, and further reduced our reliance on our existing large customers. This result has underlined the value of the acquisition and further established comfort in our disciplined approach to inorganic growth opportunity.

Since service relevance is the single most important consideration for us, we have continued our investment in services and capability development. This has been helped by our investment in our onshore leadership team as well as our people and knowledge management processes. Today we are just under 7,000 employees with India delivery spread across Mumbai, Pune and now Chandigarh. Our client engagement organisation, so critical to our maintaining domain-led offerings and competitive

differentiation – is now over 75 people spanning Austin, London, New York, Philadelphia and Singapore. We have increased our investment in training by expanding the curriculum for imparting critical industry, product and process knowledge. Our people and our training programs continue to be the envy of our clients and competitors and key ingredient of our success, and today we in fact develop training for some of our clients.

Our clients' focus on cost reduction and improved return on investment has continued to manifest through headcount reduction and offshoring, whilst discretionary spend has been focused on meeting regulatory requirements and business change initiatives, including online and utility services that overall reduce manual and duplicative work. Our client engagement organisation and maturing delivery organisation has allowed closer partnership with our clients and this has enabled our portfolio to further evolve to remain competitive and relevant for our clients. Our clients appreciate our industry expertise, multi-client knowledge, ability to manage complex programs and to respond quickly to urgent needs. Customer satisfaction in our work continues to be high as seen by our renewal rate of long term engagements as well as from industry surveys and awards, and these are all great votes of confidence in our service quality and reliability as a service partner. All of these have helped us further deepen our footprint at our clients and fuelled the growth we have experienced outside our top 5 clients this year.

We combine process re-engineering, technology and knowledge management to deliver complex services of high quality, allowing us to present our clients with year on year cost savings and service

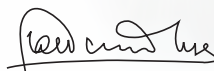
improvements. We have used our expertise and multi-client relationships to also syndicate similar services across multiple clients and industry – allowing us to incorporate best practice and to provide scale benefits that an individual firm may not be able to generate themselves. This differentiates us substantially, for example, from competitors and from our client's own offshore captive organisations. Our automation and re-engineering initiatives have increased to meet changing client needs, and our software team has been re-certified as CMM III – an important external validation of quality. We have passed numerous client audits this year, and once again successfully assessed for SSAE 16 audit (the new SAS70) for operational control. These certifications, together with ISO 27001 for information security amongst others, help us benchmark to industry best practices and give our clients confidence in the team that manages core processes for them.

In 2013-14, our company has continued to win awards and recognition from the industry. We won the NOA International Contract of the Year award from the European Outsourcing Association and once again for the third time won the MAKE India award. This year, we were awarded the OTC Infrastructure Service Provider of the Year award by Risk Magazine for service innovation, and we were once again in Global Services 100's 100 Best Outsourcing Providers. IAOP ranked us in their Top 100 for Global Outsourcing - Top 10 in Marketing Services and Top 20 in Financial Management Services. For the third time, eClerx won the 'Use of Technology for Operations Excellence' award at the BPO Excellence awards and for the first time an award for 'Leveraging IT for Business Performance' at Best CIO. Finally, we were recognised as the best SME exporter of ITES services in Chandigarh by STPI and as a runner-up at Qimpro.

eClerx Cares – our philanthropic initiative aimed at charities working to improve the lives and future of underprivileged children and women has continued to see success. As many of you know, we partner with a number of charitable organisations such as Child Rights and You, Nanhi Kali, Snehalaya, to name a few, and sponsor numerous events aimed at supporting and nurturing underprivileged children and women. For instance, with our support to Snehalaya for six Bal Bhavans, centres for children of destitute women in red light areas of Ahmednagar (Maharashtra), we were able to positively impact over 2,000 children with facilities for pre-primary and primary education, health and nutrition support. These Bal Bhavans also double up as vocational training centres, providing life skills to the youth and women. With the Nanhi Kali alliance in the Sheopur district of Madhya Pradesh, where female literacy rates are at a dismal low, eClerx contributions helped ensure near 100% enrolment and attendance of young girls in schools. We have continued our good work with the Guy Mascolo Football Charity in the UK which supports underprivileged children in inner cities by involving them in football coaching and we are very proud of our partnership with them. With many of our employees also contributing through time and in payroll giving, I am happy that the eClerx Cares initiative has been a great success and we are on the right path to give back to the society.

We thank you once again for your support and encouragement, and look forward to continuing our growth and performance.

Sincerely,



V. K. Mundhra
Chairman

Corporate Information

BOARD OF DIRECTORS

V. K. Mundhra	Chairman
PD Mundhra	Executive Director
Anjan Malik	Non-Executive Director
Pradeep Kapoor	Non-Executive Independent Director
Anish Ghoshal	Non-Executive Independent Director
Vikram Limaye	Non-Executive Independent Director
Biren Gabhawala	Non-Executive Independent Director
Alok Goyal	Non-Executive Independent Director
Nityanath Ghanekar	Non-Executive Independent Director
Deepa Kapoor	Non-Executive Independent Director

STATUTORY AUDITORS

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
16th Floor, Tower II, Indiabulls Finance Centre,
S B Marg, Elphinstone (W), Mumbai - 400 013

INTERNAL AUDITORS

Aneja Advisory Pvt. Ltd.
301, Peninsula Towers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013

CHIEF FINANCIAL OFFICER

Rohitash Gupta

REGISTRAR & TRANSFER AGENT

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081.
Ph No.: +91 (40) 2342 0815 to 824
Fax No.: +91 (40) 2342 0814
Email: einward.ris@karvy.com

COMPANY SECRETARY

Gaurav Tongia

REGISTERED OFFICE

eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023
Ph No.: +91 (22) 6614 8301
Fax No.: +91 (22) 6614 8655
Email: investor@eClerx.com

BANKERS

Bank of India
Citibank N.A.
DBS Bank Limited
Hongkong & Shanghai Banking Corporation Ltd.
Kotak Mahindra Bank Ltd.
Standard Chartered Bank
YES Bank Limited

This information is as on March 31, 2014.

Directors' Report

Dear Members,

Your Directors are pleased to present their Fourteenth Annual Report along with the audited annual accounts for the financial year ended March 31, 2014.

1. FINANCIAL HIGHLIGHTS

Key aspects of Consolidated Financial Performance / Operating Performance of the Company and its Subsidiaries for the year ended March 31, 2014, are tabulated below:-

(Rupees in million)

Particulars	2013-14	2012-13
Revenue from Operations	8,409.94	6,605.34
Other Income (net)	110.20	(181.78)
Total Revenue	8,520.14	6,423.56
Operating Expenses	4,874.16	4,058.81
EBITDA	3,645.98	2,364.75
EBITDA %	42.79%	36.81%
Depreciation and goodwill amortisation	330.28	255.36
Earnings before Interest & Tax	3,315.70	2,109.39
Taxes	759.14	393.37
Net Profit after Tax	2,556.56	1,716.02
NPM%	30.01%	26.71%

Year in Retrospect:

On a consolidated basis the total income increased to Rs. 8,520.14 million from Rs.6,423.56 million in the previous year at a growth rate of 27.32%. The EBITDA amounted to Rs. 3,645.98 million as against Rs. 2,364.75 million in the previous year. The Company earned Net Profit After Tax (PAT) of Rs. 2,556.56 million for the year as against Rs. 1,716.02 million in the previous year registering Year-on-Year (YoY) growth of 48.98%.

2. INFORMATION ON STATUS OF COMPANY'S AFFAIRS

Information on operational and financial performance, etc., is provided in the Management Discussion and Analysis Report, which is annexed to the Director's Report and has been prepared *inter-alia* in compliance with the terms of Clause

49 of the Listing Agreement with Indian Stock Exchanges.

3. DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, your Directors are pleased to recommend a dividend of Rs. 35/- (350%) per share. The total outflow on account of dividend, if approved by the Members, will be about Rs. 1,235.69 million including about Rs. 179.50 million payable towards dividend tax, surcharge and cess on the same.

The Company had paid a dividend of Rs. 25/- per share (250%) for the year ended March 31, 2013.

The register of Members and share transfer books will remain closed from Friday, July 4, 2014 to Thursday, July 10, 2014 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The Fourteenth Annual General Meeting of the Company is scheduled to be held on Thursday, July 10, 2014.

4. TRANSFER TO RESERVE

The Company proposes to transfer Rs. 246.57 million to the General reserve out of the amounts available for appropriations and an amount of Rs. 1,068.01 million are proposed to be retained in the Profit and Loss Account out of current year's profits.

5. SUBSIDIARY COMPANIES

The Company has following subsidiaries (including step down subsidiaries) as on March 31, 2014:

S. No.	Name of Subsidiary (ies)
1	eClerx Investments Limited (BVI)
2	eClerx LLC (USA)
3	eClerx Limited (UK)
4	eClerx Private Limited (Singapore)
5	Agilyst Inc (USA)
6	Agilyst Consulting Private Limited, (India)

The Members are requested to note that the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated February 8, 2011, has granted a general exemption to all the companies

under Section 212(8) of the Companies Act, 1956, with regard to attaching the Balance Sheet, Profit & Loss Account and other documents of the subsidiaries of the company after complying with the directions given therein. However, the Members who wish to have a copy of the annual audited accounts of the subsidiaries will be provided the same upon receipt of a request from them and will also be available for inspection by any Member at the registered office of the Company and of the subsidiary companies on any working day except Saturday, between 11.00 am to 6.00 pm. The specified financial information of subsidiary companies is disclosed along with the consolidated financial statements and will also be available on the website of the Company (www.eClerx.com). In accordance with the requirements of the Listing Agreement executed with the Stock Exchanges, the consolidated financial statements of the Company are annexed to the Annual Report.

Further, The Ministry of Corporate affairs (MCA) vide its General Circular No. 08/2014 dated April 4, 2014, has clarified that the financial statements, auditor's report and Board's report etc. in respect of financial years that commenced earlier than April 1, 2014 shall be governed by the relevant provisions/schedules/rules of the Companies Act, 1956. Hence Financial Statements, auditor's report and Board's report etc. for FY2013-14 are prepared as per the provisions of Companies Act, 1956, and rules thereunder.

6. BUY-BACK OF EQUITY SHARES

The Board of Directors, at its meeting held on August 8, 2013, approved the buyback of equity shares of the Company for a total consideration not exceeding Rs. 40.50 crores and at a price not exceeding Rs. 825 per equity share of Rs.10 each from the open market through the stock exchanges. It was proposed to Buy-back fully paid-up Equity Shares up to 6,00,000 Equity Shares ("Maximum Offer Shares") and a minimum of 3,00,000 Equity Shares ("Minimum Offer Shares"). The buyback commenced on August 27, 2013 and closed on February 26, 2014. The total number of Equity Shares bought back under the Buy-back is 37,623 and entire bought back shares stand extinguished.

The highest and lowest price at which the equity shares were bought back was Rs. 815 and 765 per share respectively. The average price at which the shares have been bought back was Rs. 814.66 per share.

Share Capital of the Company (Pre and Post Buyback)

Sr. No.	Particulars	No. of Shares	Share Capital (in Rs.)
1	Paid up Equity Share Capital (Pre Buyback – as on August 8, 2013)	30,089,657	300,896,570
2	Total Equity Shares bought back	37,623	376,230
3	Paid up Equity Share Capital (Post Buyback – as on February 27, 2014)	30,052,034	300,520,340

7. FIXED DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of the provisions of Section 58A of the Companies Act, 1956.

8. INCREASE IN SHARE CAPITAL

Particulars	No. of Shares	Amount (in Rs.)
Issued, subscribed and Paid-up Capital as on April 1, 2013	29,874,585	298,745,850
Less: Number of shares bought back under Buyback activity	37,623	376,230
Add: Number of shares allotted during the year	339,945	3,399,450
Issued, subscribed and Paid-up Capital as on March 31, 2014	30,176,907	301,769,070

9. BORROWING POWERS AND CREATION OF CHARGE

The Board of Directors of the Company vide resolution passed on December 16, 2010 accorded its consent, subject to the Members' approval for increasing limits on borrowing and creation of charges upon Company's properties, *inter-alia*, under Section 293(1)(d) and Section 293(1)(a) respectively of the Companies Act, 1956 upto Rs. 5,000 million (Rupees Five Thousand Million). The Members of the Company accorded their consent for the aforesaid proposals for increasing of borrowing limits and creation of charges, by way of postal ballot, result of which was announced on February 3, 2011.

The said borrowing provisions are now laid down under Section 180 of the Companies Act, 2013. MCA vide its General Circular No. 04/2014, dated March 25, 2014 provided that the resolution passed under section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings and / or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act. The section was notified on September 12, 2013.

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution.

The Company may be required to procure and / or secure long term borrowings by way of creation of charge, mortgage and / or hypothecation on the properties of the Company in favour of the secured lenders, security holders, trustees for the holders of such securities and other lender entities, by whatever name called.

Accordingly the Company is now required to pass a fresh resolution for requisite authority to the Board of Directors for borrowing and / or to create charge, if any. Such approval is regarded by the Board as an enabling resolution, which can be used to raise funds in an appropriate amount and using the appropriate mix of borrowing instruments, once the usage of funds has been more specifically identified. As such, the Board proposes to have

enabling approval from the Members, to allow it the necessary flexibility to quickly take advantage of emerging growth opportunities, for an aggregate amount not exceeding Rs. 5,000 million (Rupees Five Thousand Million only), over and above aggregate of Company's then applicable paid up share capital and free reserves, as defined under the Companies Act 2013.

The Members are thus requested to consider approving the same as set out in the Notice convening this Fourteenth Annual General Meeting.

10. AWARDS AND ACCOLADES

Your Company is proud to have received the following awards and accolades during the period under review. The Company:

- Was listed in the Top 100 Best Outsourcing Providers list – Global Services 100;
- Was recognised in the 2013 IAOP Global Outsourcing 100 ranking and included in their 'Best 10 Companies for Marketing Services' and in the 'Best 20 Companies for Financial Management Services' sub-lists;
- Won the European Outsourcing Association (EOA) Outsourcing Works – Award for Delivering Business Value in a Pan-European Outsourcing Project and the Company was finalists in four other categories;
- Won the National Outsourcing Association (NOA) International Contract of the Year award and were finalists in five other categories;
- Won the award for 'Leveraging IT for Business Performance' at the Best CIO awards;
- Won the OTC Infrastructure Service of the Year award – Risk Magazine;
- Won the 'Use of Technology for Operations Excellence' award at the BPO Excellence awards;
- Won the MAKE India award for the third consecutive year for developing knowledge workers through senior management leadership; and
- Nominated as a runner up at Qimpro in the 'Service Improvement' category

Furthermore Agilyst Consulting Private Limited won the Highest Export under IT Enabled Services (SME) Chandigarh 2012-13 award by STPI.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR) ECLERX CARES

The Company continues to earmark a corpus every year for CSR activities. The eClerx Cares council is responsible for championing all philanthropy and CSR initiatives of the Company. The mission of eClerx Cares is committed to being participants of progress by supporting initiatives in education and child welfare to help measurably improve the lives of underprivileged children.

Our partner NGOs are selected for their projects on child rights and education which is one cause, that resonates broadly within the Company. At the Company, it is believed that money is only ever a small part of the solution and our ethos involve the entire organization heartily contributing to making a difference either through donating clothes, volunteering their time in training such as IT skills, running marathons for a cause or simply giving Christmas gifts.

Employee Engagement

There is an increasing amount of interest shown by our employees to volunteer and support our partner NGOs. The Company matches employee's contribution by 1:1. Employees can choose to contribute a fixed amount deducted monthly or choose to sponsor annual fees through either Nanhi Kali or CRY for primary or secondary education.

Employees also participate enthusiastically in the engagement activities laid out across the year like:

- A 75-member team of Company employees participated in the Mumbai Marathon pledging their support to the cause of Child Rights and Education;
- Annually organise Christmas learn-and-fun event for the students of local schools and institutes; and
- This year eClerx Cares in a tie up with Raahat helped by sending relief for the flood victims

of Uttarakhand with employees wholeheartedly contributing with money, food, clothing, etc.

While the Company continues to provide expert outsourcing options, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility had always been on its agenda and it has also seen increasing interest and partnership from our employees to join hands on various initiatives. In the US and UK, the Company supports numerous child education and health-related causes for Cancer and the Alzheimer's Association.

Our Partner NGOs:

Child Rights and You (CRY)

The Company wholly funds the PREM initiative run by CRY in Melghat, Maharashtra – a commitment the Company has held since 2007. By providing education, healthcare and spreading awareness on child rights it has made great progress and brought about an improvement in the community.

Nanhi Kali

The Company supports education for underprivileged girls in Sheopur district of Madhya Pradesh through their association with the Nanhi Kali program. This program has resulted in positive outcomes where the Company was able to curtail drop-outs and sustain the girl literacy drive.

Parivaar

The Company supports education for underprivileged children to support Amar Bharat Vidyapeeth in association with Parivaar

Corporate Social Responsibility Committee (CSR Committee)

Furthermore, pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board at its meeting held on October 24, 2013, constituted Corporate Social Responsibility Committee (CSR Committee) to look into and ensure compliance with the said provisions under the overall

supervision of the Board of Directors of the Company. The further details thereof are available on the website of the Company www.eclerx.com.

12. DIRECTORS

During the year Nityanath Ghanekar and Deepa Kapoor were appointed as Additional Director w.e.f. March 11, 2014, who hold office until the ensuing Annual General Meeting.

In accordance with the Articles of Association of your Company, Anjan Malik, retires from office by rotation, and being eligible, offer himself for re-appointment at the forthcoming Annual General Meeting of the Company.

The brief resume of Anjan Malik, Nityanath Ghanekar and Deepa Kapoor as required *inter-alia* in terms of Clause 49 of the Listing Agreement with the stock exchanges, is included as annexure to this Annual Report.

Pursuant to the relevant sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, Pradeep Kapoor, Anish Ghoshal, Vikram Limaye, Biren Gabhawala and Alok Goyal, the existing Non-Executive Independent Directors of the Company will be appointed as Non-Executive Independent Directors within the meaning of the Companies Act, 2013, SEBI Regulations and other relevant regulations, as applicable, for the period upto March 31, 2019, not liable to retire by rotation.

Further, the required resolutions for appointment/re-appointment of the above Directors at the forthcoming Annual General Meeting are included in the Notice convening Fourteenth Annual General Meeting.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- a) in the preparation of the annual accounts for the year 2013-14, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- 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 as at March 31, 2014 and of the profit of the Company for the year ended on that date;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

14. EMPLOYEES' STOCK OPTION PLAN

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI guidelines"), your Company had framed and instituted Employee Stock Option Plan 2005 (ESOP 2005), Employee Stock Option Plan 2008 (ESOP 2008) & Employee Stock Option Plan 2011 (ESOP 2011) to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

Your Company has granted stock options from time to time under the said ESOP Schemes to its employees and independent directors and also to employees of its subsidiaries.

Further, all the options granted under ESOP Scheme 2005 have been vested and exercised by the employees and hence no options are active / outstanding under said Scheme as on March 31, 2014.

The following table sets forth the particulars of stock options granted under ESOP 2008 and ESOP 2011 as on March 31, 2014:

Particulars	ESOP 2008	ESOP 2011
Options granted during the year	Nil	624,658
Pricing formula	<p>The exercise price shall be equal to the lower of the following:</p> <p>a) the latest available closing market price (at a stock exchange where there is highest trading volume on said date) on the date prior to the date on which the Remuneration Committee finalises the specific number of options to be granted to the employees or</p> <p>b) Average of the two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed.</p>	<p>The exercise price shall be equal to the lower of the following:</p> <p>a) the latest available closing market price (at a stock exchange where there is highest trading volume on said date) on the date prior to the date on which the Remuneration Committee finalises the specific number of options to be granted to the employees or</p> <p>b) Average of the two weeks high and low price of the share preceding the date of grant of option on the stock exchange on which the shares of the company are listed.</p>
Options vested as on 31.03.2014 (net)	1,303,675	4,500
Options exercised and allotted during the year	335,445	4,500
The total number of equity shares arising as a result of exercise of options	335,445	4,500
Options lapsed/forfeited /expired during the year	90,300	145,331
Variation of terms of options	Nil	Nil
Money realised by exercise of options	3,354,450	45,000
Total number of options in force	583,980	1,019,828

Particulars	ESOP 2008	ESOP 2011
Details of options granted to Employee:		
i) Senior Managerial Personnel	As per statement attached	As per statement attached
ii) Any other employee receiving a grant in any one year of option amounting to 5% or more of the options granted during that year	FY2009-10: Scott Houchin FY2010-11: 1) Scott Houchin 2) Sandeep Dembi FY2011-12: Scott Houchin	FY2012-13: Scott Houchin FY2013-14: Nil
iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS 20 'Earning Per Share')	Rs. 82.81 for the year ended on March 31, 2014	
Difference, if any, between the employees compensation cost calculated using the intrinsic value of stock options and the employee compensation cost recognised if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company.	Impact on profits: Rs. 101.54 million Diluted EPS: Rs. 79.53 (post adjustment for aforesaid impact on profits)	
Vesting Schedule	Options granted under the respective ESOP Scheme(s) / Plans(s) would not vest earlier than one year and not later than five years from date of grant of such options.	

Details of options granted to Senior Managerial Persons of your Company as on March 31, 2014:

ESOP Scheme	Name of Senior Managerial Persons	No. of Options Granted	No. of Options Exercised	No. of Option Outstanding
ESOP 2008	Hoshi Mistry	57,000	45,000	12,000
	Rohitash Gupta	57,000	42,000	15,000
	Sandeep Dembi	42,000	4,000	38,000
	Neville Bharucha	36,600	24,000	12,600
	Gokulraj Perumal	29,100	10,500	18,600
	Sachin Vaidya	27,600	21,000	6,600
	Subhodip Basu	27,600	2,500	25,100
	Gurvinder Lamba	20,100	13,500	6,600
	Manoj Shelar	18,600	1,500	17,100
	Srinivasan Nadadhur	18,600	4,200	14,400
	Prashant Chaddah	18,000	15,000	3,000
	Parijat Singh	15,750	9,750	6,000
	Sandeep Srivastava	9,000	2,000	7,000
	Pravin Borade	9,000	1,000	8,000
	Debobroto Ghosh	8,800	-	8,800
	Shyam Iyengar	8,800	-	8,800
Jagjit Singh	4,000	-	4,000	

ESOP Scheme	Name of Senior Managerial Persons	No. of Options Granted	No. of Options Exercised	No. of Option Outstanding
	Sanjay Kukreja	22,335	-	22,335
	Hoshi Mistry	19,000	-	19,000
	Rohitash Gupta	19,000	-	19,000
	Sandeep Dembi	19,000	-	19,000
	Chitra Padmanabhan	12,000	-	12,000
	Amit Bakshi	12,000	-	12,000
	Devidas Iyer	11,667	-	11,667
	Neville Bharucha	10,000	-	10,000
	Gokulraj Perumal	10,000	-	10,000
	Prashant Chaddah	10,000	-	10,000
	Sachin Vaidya	10,000	-	10,000
	Gurvinder Lamba	10,000	-	10,000
	Pravin Borade	10,000	-	10,000
	Debobroto Ghosh	10,000	-	10,000
	Subhodip Basu	10,000	-	10,000
ESOP 2011	Manoj Shelar	10,000	-	10,000
	Srinivasan Nadadhur	10,000	-	10,000
	Shyam Iyengar	10,000	-	10,000
	Parijat Singh	7,500	-	7,500
	Sandeep Srivastava	7,500	-	7,500
	Jagjit Singh	7,500	-	7,500
	Nigel Heredia	6,666	-	6,666

Details of options granted to Senior Managerial Persons of subsidiaries of your Company as on March 31, 2014:

ESOP Scheme	Name of Senior Managerial Persons	No. of Options Granted	No. of Options Exercised	No. of Option Outstanding
ESOP 2008	Scott Houchin	150,000	52,500	97,500
	Joseph Sursock	58,500	46,498	12,002
	Mahesh Muthu	50,250	38,250	12,000
	Li Chien Koh	30,750	18,747	12,003
	Scott Hamilton	16,000	-	16,000
	John Stephens	16,000	-	16,000
	Randall Ferguson	13,800	-	13,800
	Ben Sciortino	6,400	-	6,400
ESOP 2011	Scott Houchin	60,000	-	60,000
	Alan Paris	32,000	-	32,000
	John Stephens	22,000	-	22,000
	Chuck Haven	16,000	-	16,000
	Robert Horan	16,000	-	16,000
	Jinny Jun	21,335	-	21,335
	Peter Mullins	21,333	-	21,333
	Marianne Kroha	21,333	-	21,333
	Gabrielle Browne	21,333	-	21,333
	Joseph Sursock	18,000	-	18,000
	Randall Ferguson	18,000	-	18,000
	Li Chien Koh	18,000	-	18,000
	Mahesh Muthu	18,000	-	18,000
	Ben Sciortino	18,000	-	18,000
	Scott Hamilton	18,000	-	18,000
	Scott Lipera	13,333	-	13,333
	David Goldberg	10,667	-	10,667
	Samir Karumsi	10,667	-	10,667
	Terry Kennedy	10,667	-	10,667
	Mayank Tyagi	6,666	-	6,666
Ramnik Tiwana	6,666	-	6,666	
Manish Mittal	6,666	-	6,666	

The equity shares issued and allotted / to be issued and allotted under the ESOP schemes i.e. ESOP 2008 and ESOP 2011 of the Company shall rank *pari-passu* in all respects including dividend with the existing equity shares of the Company.

15. HUMAN RESOURCES MANAGEMENT

The Company recognises the value of continuous learning and development that is focused and relevant and is committed to investing in its people's capabilities because it believes that the competencies that are built today will drive the future of its business.

Building on its partnerships with top MBA schools in the Western region of the country, for management education for junior and mid-level managers, in 2013-14, the Company partnered with another leading Management development institute for offering its junior staff the opportunity to earn a management credential without having to take a break from work. Classes for the 2-year program are conducted by the Institute's faculty at Company premises in Ghatkopar.

For select high performing managers, the Company rolled out a 2 year International Business Communication Skills certification program by well known experts in the field. Across the Company, every day, operations managers communicate with clients across the U.S., Europe and Asia Pacific – this program is designed to enable managers to communicate effectively across channels and cultures.

For senior managers that travel onshore frequently, the Company introduced a Cultural Intelligence program to help our managers understand inter-cultural differences – an appreciation of which ultimately promotes clearer communication, breaks down barriers, builds trust, strengthens relationships, and yields tangible results in terms of business success.

As a testament to our commitment to continuous learning and development, in February 2014, the Company won the MAKE (Most Admired Knowledge Enterprises) India award for 2013 for the third consecutive year, alongside some of India's largest IT conglomerates.

16. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 217(1) (e) of the Companies Act, 1956 read with the

Companies (Disclosure of particulars in the report of board of directors) Rules, 1988 are given in the annexure forming part of this report.

17. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(IV) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. A Member, who is interested in obtaining such particulars, may write to the Company Secretary at the registered office of the Company.

18. CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has prescribed certain corporate governance standards vide Clause 49 of the Listing Agreement with stock exchanges. Your Directors reaffirm their commitment to these standards and a detailed Report on Corporate Governance together with the Auditors' Certificate on its compliance is annexed here to.

The Ministry of Corporate Affairs, Government of India, published the Corporate Governance Voluntary Guidelines 2009, to strengthen the corporate governance framework. These guidelines provide for a set of requirements which may be voluntarily adopted by Companies and focuses on areas such as Board of Directors, responsibilities of the Board, Audit Committee functions, roles and responsibilities, appointment of auditors, compliance with Secretarial Standards and a mechanism for whistle blower support. Your Company by and large is in compliance with requirements laid down therein.

19. ENTERPRISE WIDE RISK MANAGEMENT SYSTEM (EWRM)

Your Company has in place a well defined Enterprise wide risk management (EWRM) framework which *inter-alia* aims at the following:

1. Alignment of risk appetite and strategy of the organisation by evaluating strategic alternatives, setting related objectives, and

developing mechanisms to manage related risks.

2. Enhancement in risk response decisions by identifying and selecting among alternative risk responses – risk avoidance, reduction, sharing, and acceptance.
3. Reduction / elimination of operational surprises and losses by identifying potential events and establishing responses and reducing associated costs or losses.
4. Identification and management of multiple risks by facilitating effective response to the interrelated impacts, and integrated responses to such risks.
5. Improvement in deployment of capital by providing robust risk information to the Management so as to effectively assess overall capital needs and prudently manage capital allocation.

The framework is periodically reviewed by senior management persons to ensure that the risks are identified, managed and mitigated. The same is also periodically reported to the Audit Committee and the Board of Directors.

20. STATUTORY AUDITORS

M/s. Walker Chandiook & Co LLP, (formerly: Walker, Chandiook & Co) Chartered Accountants, Mumbai, [ICAI Registration no. 001076N] who are the statutory auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting.

The Companies Act, 2013 ('Act'), provides for mandatory rotation of statutory audit firm, after two consecutive terms of 5 years each. The Act also provides that the appointment of a Statutory Auditor will be for period of 5 years subject to annual ratification by shareholders at the AGM.

The Statutory Auditors viz. Walker Chandiook & Co LLP vide their letter dated March 11, 2014, have conveyed their unwillingness to be appointed as Statutory Auditors of the Company for FY2014-15. M/s. Walker Chandiook & Co LLP has been the statutory auditors of the Company since FY2007-08. The Board places on record its sincere appreciation of the service rendered by M/s. Walker Chandiook & Co LLP.

In view of the foregoing, the Board has proposed that M/s. S.R. Batliboi & Associates LLP, Chartered Accountants [ICAI Registration No. 101049W], be appointed as statutory auditors of the Company for the period of 5 years from FY2014-15 to FY2018-19, subject to shareholders' approval at the ensuing Annual General Meeting.

They have confirmed that their appointment, if made, at the Annual General Meeting, will be within the limits prescribed under the Companies Act, 2013 and that they are not beneficially holding any security of your Company as defined under relevant section(s) of the said Act and rules there under as applicable. They have also confirmed that they hold a valid peer review certificate as prescribed under relevant clause(s) of the Listing Agreement.

The Company has received special notice from a Member(s) of the Company, signifying his intention to propose the appointment of M/s. S.R. Batliboi & Associates LLP as the statutory auditors of the Company for the FY2014-15 and/or such other period as prescribed under the Companies Act 2013.

Members are requested to consider their appointment and authorise the Board of Directors (including committee thereof) to fix their remuneration for the FY2014-15. The notice convening the 14th AGM contains the resolution for their appointment.

21. GREEN INITIATIVE BY THE MINISTRY OF CORPORATE AFFAIRS

The Ministry of Corporate Affairs ("MCA") has taken a Green Initiative in Corporate Governance by permitting electronic mode for service of documents to Members (shareholders) as per relevant provisions of the Companies Act, 2013 ("the Act").

Pursuant to provisions of the Act, and rules made thereunder, service of documents to Members can be now made by electronic mode on the email address provided for the purpose of communication. If a Member has not provided an email address, other permitted modes of service would be applicable.

Your Company sincerely appreciates shareholders who have contributed towards furtherance of Green Initiative. We further appeal to other shareholders to contribute towards furtherance of Green Initiative by opting for electronic communication. The shareholders may also reach out to the Company/RTA by sending a request letter alongwith a self attested PAN copy. The request can also be made online on eClerx website (www.eclerx.com), post which the RTA would contact the concerned shareholder for the requisite documentation.

This initiative will ease the burden on corporates (and the environment) of sending physical documents such as notices, annual reports etc. Those who have not provided their email address will continue to receive communications, dissemination, notice(s), documents etc. via permitted mode of service of documents. Further the shareholders, who request for physical copies, will be provided the same at no additional cost to them.

The Company is providing e-voting facility for all Members to enable them to cast their votes electronically on all resolutions set forth in the Fourteenth AGM Notice. This is pursuant, *inter-alia*, to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management

and Administration) Rules 2014. The detailed instructions for e-voting are provided in the AGM Notice which is being sent separately as per prescribed mode of dispatch.

22. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation to the Company's customers, vendors, investors, consultants, business associates, bankers and employees for their support and co-operation to the Company.

Your Directors are also thankful to the Government of India, the Governments of various countries, the concerned State Governments and regulatory agencies for their co-operation.

Your Directors also acknowledge the hard work and effort made by every Member of the eClerx family across the world and express their sincere gratitude to the Members for their continuing confidence in the Company.

For and on behalf of the Board of Directors

V. K. Mundhra
Chairman

Place: Mumbai

Date: May 20, 2014

Annexure to the Directors' Report

Particulars pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are furnished here under:

Disclosure under section 217(1)(e) of the Companies Act, 1956

I. Conservation of Energy

Even though operations of the Company are not energy intensive, the management has been highly conscious of the importance of conservation of energy at all operational levels and efforts are made in this direction on a continuous basis. The requirement of disclosure of particulars with respect to conservation of energy is not applicable to the Company and hence not been provided.

II. Technology Absorption

Being in the IT enabled service industry, the Company uses state-of-the-art technology to ensure superior processing and communication capabilities in its operations. The Company

continuously makes investment in technological tools and imparts its employees training on the new technologies for deployment on development projects to support the business of the Company.

III. Foreign Export Earning and Expenditure

(Rupees in Million)

	2013-14	2012-13
Total Foreign Exchange Earnings Realised	7,092.55	5,606.72
Total Foreign Exchange Used	1,252.88	1,093.35

For and on behalf of the Board of Directors

V. K. Mundhra
Chairman

Place: Mumbai
Date: May 20, 2014

Management Discussion and Analysis

I. ECONOMIC OVERVIEW

During FY2013-14, the Indian economy experienced an adverse mix of slowing growth and high inflation. Growth in FY2014-15 is likely to be between 5 and 6 per cent, with the likelihood of it being in the upper end of that range if project clearances translate into investment.

IT and ITES was one of the better performing sectors in FY2013-14. According to the National Association of Software and Services Companies (NASSCOM), export revenues from the IT and Business Process Management (IT-BPM) industry are projected at USD 86 billion for FY2013-14, a growth of 13%. The Indian IT-BPM sector continues to be one of the largest employers in the country directly employing more than three million professionals, and adding over 160,000 employees in FY2013-14.

II. BUSINESS OVERVIEW

As we look back at FY2013-14, it is clear that our growth slowed down over the year as a segment of our client base continues to remain under some stress. On the other hand, we are pleased that we continued to make progress in our endeavor to reduce client and industry concentration and thereby create a more diversified and resilient revenue base.

Business Divisions

Our banking and financial services business performed quite well during FY2013-14, aided by a recovery in business performance for most of the global banks. Better financial performance and more confidence in the future has allowed our clients to adopt a longer term horizon in their decision making, which is a pre requisite for investment decisions in offshoring, which often come with lagged benefits. A changing regulatory environment has also created opportunities for us, as clients have sometimes needed supplemental resources to cope with new rules and laws. As we look ahead, our key goals for this business continue to be to augment our services offerings and also to try and penetrate new geographies and customer segments.

Our digital marketing business had a mixed year in FY2013-14. One of the largest industry segments for this division is the technology and consumer electronics industry, which has been

experiencing tectonic shifts due to the shift from desktop and laptop dominated environments to mobile and tablet devices. This secular trend has created well documented challenges for some technology companies, and we have consequently seen diminished business opportunities with such clients. On the other hand, the broad trend behind increased internet adoption in commerce and the general scarcity of skills in many Western countries to enable online transformation has resulted in healthy new opportunities for us. This can be clearly seen by the fact that most of our new client additions have occurred in this business, and this division therefore has also contributed significantly to our strategic goal of reducing concentration.

Our cable and telecom business had another strong year in FY2013-14. We are particularly excited that we were successful in growing substantially with some of our new clients and also have successfully introduced a couple of new service lines during the year. Both these trends make us confident that we have a sound foundation which should allow us to capitalise on the opportunities offered by this business.

Business Concentration

We continued our journey of reducing client concentration in FY2013-14 our top 5 clients reduced from 79% of firm revenue in FY2012-13 to 74% in FY2013-14. This was driven both by acquisition of new clients and also by account mining and growth in our non top 5 clients. We believe that our strategy of increasing investment in our sales force has enabled this outcome, and we continue to look for opportunities to do more in this area.

Infrastructure

We operate out of 5 delivery centres in India and 4 sales offices across 3 countries. The delivery centres have a total capacity of 6,444 seats and are currently operating at approximately 90% utilization.

During the year, we received SEZ approval for an additional new facility in our SEZ Unit at Airoli, Navi Mumbai. The new floor will accommodate approximately 600 seats and is likely to go into production early in FY2014-15. Once operational, this will take our total seat count to about 6,800.

Similarly on the onshore side, we have invested in a new office in Philadelphia, which replaces our old temporary office arrangement.

III. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED

Our business is a people business, and commercial success is predicated to quite some degree on the quality of our team. A fundamental tenet of our management philosophy is to invest in our staff, and enable them to develop new skills and abilities which benefits both them and the organisation.

Our programs in knowledge management and training are well recognised in the market place. This year, we once again won the MAKE India award for the third consecutive year.

During the year, we added 882 people (net) to our team and our total headcount at the end of the year stood at 6,836. Our attrition rate in FY2013-14 was 30.1% compared to 27.30% in FY2012-13.

We continue to look for ways to best harness the potential of this resource base including through all our key Human Resource initiatives – in talent acquisition, talent engagement, and compensation and benefits. During FY2014-15, we expect to conduct an in depth strategic review of these programs, comprising both of external benchmarking, as well as internal analysis, to identify changes that could be beneficial to the business.

IV. RISK AND CONCERNS

Risk management is an integral part of our business. We have outlined the principal risks and uncertainties that could adversely impact the functioning of the Company through their effect on operating performance, financial performance, management performance and overall sustainability. These include, but are not limited to:

Macro-economic risk	The Company derived 95% of its revenues during FY2013-14 from US and Europe. The changing economic conditions in these markets could enhance cost pressure on clients and thus may affect the Company adversely in a number of ways. The Company may witness a reduction in prices, or the loss of key projects and customers, in turn affecting the financial performance.
Concentration risk	The Company derived 74% of its total revenues during FY2013-14 from its top five clients. The Company's profitability and revenues would be significantly affected in case of loss of any of these clients or a significant downsizing of projects given to the Company by them.
Currency risk	We derived around 81% of our revenues in US Dollars, 14% in Euros, and 5% in Sterling and other currencies. Adverse changes in foreign exchange rates can have a negative impact on our financial performance.
Competition risk	New competitors may enter the markets the Company operates in, or current competitors could decide to focus more on these markets, and thereby intensify the competition. They could also offer new technologies or offer a different service model or offer similar services at reduced prices. Such developments could harm the Company's business and results of operations.
Key People risk	Our business is critically dependent on the quality of our workforce. Failure to attract, retain and motivate key employees would impair the Company's ability to offer the right quality of service to the clients.
Business disruption or IT system failure risk	Business disruption following a major outage event or a failure of our IT systems could cause a disruption in the Company's services, thereby reducing client confidence.
Legal and regulatory risk	Failure to comply with legal or regulatory requirements could impact the Company's reputation and financial position. Legislation in certain countries in which we operate may restrict companies in those countries from outsourcing work to overseas entities like us, which could hamper our growth prospects in major markets.

V. FINANCIAL PERFORMANCE - CONSOLIDATED

The financial statements of your Company are prepared in compliance with the Companies Act, 1956 and Generally Accepted Accounting Principles in India (Indian GAAP). The Company follows revised schedule VI as notified by the Ministry of Corporate Affairs (MCA).

The consolidated financial results depicts the performance of the Company, including all its subsidiaries across the world. The consolidated results are more relevant for understanding the performance of the Company.

The following discussion and analysis should be read together with the consolidated Indian GAAP financial statements of your Company for the financial year ended March 31, 2014.

i. Results of Operations

The following table gives an overview of consolidated financial results of the Company:

(Rupees in million)

Particulars	2013-14	2012-13
Revenue from Operations	8,409.94	6,605.34
Other Income (net)	110.20	(181.78)
Total Revenue	8,520.14	6,423.56
Operating Expenses	4,874.16	4,058.81
EBITDA	3,645.98	2,364.75
EBITDA %	42.79%	36.81%
Depreciation and goodwill amortization	330.28	255.36
Earnings before Exceptional Items, Interest, & Tax	3,315.70	2,109.39
Taxes	759.14	393.37
Net Profit after Tax	2,556.56	1,716.02
NPM%	30.01%	26.71%

a. Income

Income from operations

The Company's Income from operations

consist of revenue from data process solutions which comprises of both time/unit price and fixed fee based service contracts.

Income from operations increased to Rs. 8,409.94 million in the year under review from Rs. 6,605.34 million in the previous year registering a growth of 27.32%.

Other income:

Other income primarily comprises of foreign exchange gains / (loss), interest on bank deposits and dividend from debt oriented mutual funds. The total other income increased to Rs. 110.20 million in the year under review from deficit of Rs. 181.78 million in the previous year.

Foreign exchange losses decreased to Rs. 31.40 million in the year under review from Rs. 267.76 million in the previous year, primarily due to lower losses on hedges matured during the year and exchange gain due to rupee depreciation.

Income from investments increased to Rs. 137.76 million in the year under review from Rs. 85.77 million in the previous year, primarily due to additional investments in bank fixed deposits and mutual funds.

b. Expenditure

Operating expenses comprises of employee costs and other general and administrative expenses. The total operating expenses increased to Rs. 4,874.16 million in the year under review from Rs. 4,058.81 million in the previous year.

Employee costs increased to Rs. 3,579.92 million in the year under review from Rs. 2,952.88 million in the previous year, primarily due to increase in head count by about 15% in India and increase in sales team in overseas locations.

Other expenses increased to Rs. 1,294.24 million in the year under review from Rs. 1,105.93 million in the previous year. The increase was primarily due to:

- Increase in onsite travel to customer locations by Rs. 76.31 million
- Increase in rent by Rs. 49.23 million due to additional facilities taken in Navi Mumbai and new sales office in Philadelphia.
- Increase in communication expenses by Rs. 27.72 million and Rs. 35.05 million in other general administration costs due to additional facilities taken in FY 13 now in full year of operation.

c. Depreciation

Depreciation charge has increased to Rs. 330.28 million in the year under review from Rs. 255.36 million in the previous year primarily on account of additional amortisation of goodwill by Rs. 51.94 million pertaining to acquisition of Agilyst and balance due to incremental additions to and replacement of fixed assets.

d. Income Tax Expense

Income tax expense comprises tax on income from operations in India and foreign tax jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expenses relating to overseas operations are determined in accordance with tax laws applicable in countries where such operations are carried out. The Company benefits in India from certain tax incentives under section 10AA of the Income Tax Act, 1961, for the services exported from designated Free Trade Zones.

Minimum Alternate Tax (MAT) paid in accordance to the tax laws gives rise to tax credit which according to the Income Tax, 1961 can be carried forward for subsequent ten years. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period.

The Company has deferred the recognition of cumulative MAT credit of Rs. 266.23 million as on March 31, 2014, which could be

available for set off against future tax liability under the provisions of the Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.

The Company's consolidated tax expense (including deferred taxes) increased to Rs. 759.14 million in the year under review from Rs. 393.37 million in the previous year.

ii. Financial Condition

a. Share Capital

The Company has authorised capital of Rs. 500 million as on March 31, 2014. The issued, subscribed and paid up capital was Rs. 301.77 million of equity shares of Rs. 10 each in the year under review as compared to Rs. 298.75 million in the previous year. The increase in paid up capital was due to allotment of shares on exercise of employee stock options. During the year under review, the Company extinguished 37,623 equity shares on account of buyback of shares.

b. Reserves & Surplus

The reserves and surplus of the Company increased to Rs. 5,587.75 million in the year under review from Rs. 4,084.53 million in the previous year. Rs. 246.57 million (previous year Rs. 156.10 million) was transferred from the Profit and Loss Account to General Reserves.

c. Short-term and Long-term Provisions

Short term provisions increased to Rs. 1,661.99 million as on March 31, 2014 from Rs. 1,335.05 million as on March 31, 2013 primarily due to higher dividend provision in the year under review.

d. Trade Payables

Trade payables, representing payables for purchase of goods and services increased marginally to Rs. 259.21 million as on March 31, 2014 from Rs. 225.43 million as on March 31, 2013.

Other Current Liabilities

Other current liabilities, which include bills raised in advance on clients and statutory dues increased to Rs. 84.28 million as on March 31, 2014 from Rs. 67.68 million as on March 31, 2013. The marginal increase is attributable to increase in bills raised in advance on clients and other statutory liabilities.

e. Fixed Assets

The Gross block of fixed assets as on March 31, 2014 was Rs. 2,599.91 million (Rs. 2,063.91 million as on March 31, 2013) year and cumulative depreciation amounted to Rs. 1,052.25 million (Rs. 716.02 million as on March 31, 2013). Additions to fixed assets made during the year were Rs. 444.85 million (Rs. 1,205.10 million during the previous year) primarily due to goodwill on consolidation of Rs. 233.90 million relating to payment of final tranches for acquisition of Agilyst and Rs.210.95 million due to incremental additions to and replacement of fixed assets.

Capital work in progress as on March 31, 2014 amounted to Rs.11.84 million (Previous year Rs. 7.34 million).

f. Loans and Advances

- Long term loans and advances increased to Rs. 179.19 million as on March 31, 2014 from Rs. 121.83 million as on March 31, 2013 due to rent deposits paid to lessors on account of additional facilities in Navi Mumbai and Philadelphia (USA).
- Short term loans and advances increased to Rs. 573.30 million as on March 31, 2014 from Rs. 451.48 million as on March 31, 2013. The increase was primarily attributable to pending service tax refunds due to the Company.

g. Current Investments

Investment represents surplus funds of the Company parked with mutual fund schemes that can be recalled at very short notice.

The Company's treasury practices call for investing only in highly rated debt oriented mutual funds. Investment in mutual funds increased to Rs. 1,154.79 million during the year under review from Rs. 351.56 million in the previous year due to investment of surplus cash generated from operations.

h. Acquisition(s)

The Company acquired the entire shareholding of Agilyst Inc ('Agilyst'), a closely held US based Company, effective May 4, 2012. The consideration towards the acquisition consists of an upfront payment of US\$15.75 million and a variable earn out, based on Agilyst's future performance till September 30, 2013. During the year under review, the Company paid final tranche towards acquisition amounting to US\$ 3.8 million taking the total cost of acquisition to US\$ 19.55 million.

i. Trade Receivables

Debtors increased to Rs. 996.28 million as on March 31, 2014 from Rs. 654.77 million as on March 31, 2013. These debts are considered good and realisable and hence no provision for doubtful debts have been made. The need for provisions is assessed based on various factors, including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors that could affect the customers ability to settle. The Company monitors trade receivables closely.

j. Cash and Bank Balance

The cash and bank balances increased to Rs. 2,405.57 million as on March 31, 2014 from Rs. 2,348.53 million as on March 31, 2013. Out of this, Rs. 652.97 million (previous year Rs. 824.40 million) was held in exchange earnings in foreign currency accounts in India and Rs.154.41 million (previous year Rs. 596.76 million) was held in foreign bank accounts as at March 31, 2014. The remaining cash and bank balances mainly represent bank balances in current and fixed deposit accounts in India.

k. Other Current Assets

Other Current Assets increased to Rs. 1,008.06 million as on March 31, 2014 from Rs. 714.97 million as on March 31, 2013. The increase is primarily on account of unbilled revenues and accrued gains on unmatured foreign exchange hedges.

l. Deferred Tax (net)

The Company has a net deferred tax asset of Rs. 18.31 million as at March 31, 2014 (Rs. 12.77 million as at March 31, 2013). Deferred tax primarily arises out of provisions made of employee benefits, lease equalisation, depreciation and capital asset investment allowances.

iii. Cash Flows

The Company's cash flows from operating, investing and financing activities, as reflected in the consolidated statement of cash flow, is summarised in the table below.

Summary of cash flow statement:

	(Rupees in million)	
	2013-14	2012-13
Net cash generated by/ (used in)		
Operating activities	1,949.60	1,532.86
Investing activities	(1,116.76)	(348.56)
Financing activities	(825.30)	(526.77)
Exchange difference on translation of foreign currency cash and cash equivalents	49.50	4.39
Net increase in cash and cash equivalents	57.04	661.92

a. Cash flows from operating activities

(Rupees in million)

	2013-14	2012-13
Profit before tax	3,315.70	2,109.39
Adjustments: depreciation and Amortisation	330.28	255.36
Other non-cash adjustments	(0.53)	5.14
Non operating income (net)	(137.58)	(85.74)
Effect of working capital changes	(790.98)	(348.06)
Cash generated from operations	2,716.89	1,936.09
Taxes paid	(767.29)	(403.23)
Net cash generated by operating activities	1,949.60	1,532.86

An additional amount of Rs. 790.98 million was used in working capital in the year under review to meet the expanding business operations as compared to Rs. 348.06 million used in previous year.

b. Cash flows from investing activities

(Rupees in million)

	2013-14	2012-13
Fixed asset (net)	(212.35)	(267.16)
Other investments (net)	(802.75)	647.31
Payment for acquisition of business, net of cash acquired	(233.90)	(814.45)
Non operating income (net)	132.24	85.74
Net cash used in investing activities	(1,116.76)	(348.56)

During the year under review Rs. 233.90 million was used towards final payout for acquisition of Agilyst which was financed by internal accruals.

During the year under review Rs. 212.35 million was also used in purchased of fixed assets for incremental additions and replacements as compared to Rs. 267.16 million in the previous year.

c. Cash flows from financing activities

(Rupees in million)		
	2013-14	2012-13
Proceeds from equity issued	85.44	70.40
Buyback of equity shares	(30.65)	-
Dividend paid including dividend tax	(880.09)	(597.17)
Net cash used in financing activities	(825.30)	(526.77)

The proceeds from equity shares are on account of allotment of shares on exercise of employee stock options

Dividend paid during the year under review comprise of dividend payout for previous year ended March 31, 2013 approved by the shareholders at the last Annual General Meeting.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

We have an established internal control system to optimise the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with statutory laws, regulations and Company policies. We have also instituted budgetary control mechanisms pursuant to which the management regularly reviews actual performance with reference to budgets and forecasts.

There is an adequate system of Internal Controls for the Company and its subsidiaries. The system is designed to adequately ensure that financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. The Company also carries out regular internal audits through an external agency to test the adequacy and effectiveness of its internal control processes and also to suggest improvement and upgrades to the management.

VII. OUTLOOK

The outlook for the company remains largely similar to FY2013-14 as we do not anticipate any large changes to our demand environment. We are focusing on refining our service offerings every year and on making the requisite investments that will enable us to continue our growth journey.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements'; within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government regulations, tax laws and other factors such as litigation and labour relations.

Readers are advised to exercise their own judgment in assessing risks associated with the Company, *inter-alia*, in view of discussion on risk factors herein and disclosures in regulatory filings, as applicable.

Corporate Governance Report

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective Corporate Governance is necessary to maintain public trust and to achieve business success. The Company is committed to exercise the overall responsibilities rigorously and diligently throughout the organisation, managing its affairs in a manner consistent with the highest principles of business ethics, and exceeding the corporate governance requirements. The Company believes that sound corporate governance mechanism is critical to retain and enhance investor's trust. The Company's corporate governance philosophy aims at ensuring, among others, the accountability of Board of Directors and uniformity in its decisions towards all its stakeholders: viz. customers, employees, shareholders.

Your Company is compliant with all the mandatory provisions of clause 49 of the listing agreement of the Stock Exchanges. The details of compliance are as follows:

II. BOARD OF DIRECTORS

The Board of Directors meets at least once a quarter to review quarterly results and other items on the Agenda as well as on the occasion of Annual General Meeting of shareholders of the Company. Additional Board meetings are convened as and when necessary.

a. Composition of the Board of Directors

The Board of Directors of the Company represents an optimum combination of Executive and Non-Executive Directors for its independent functioning. The Board comprises of ten Directors, of which one is Executive Director and Nine are Non-Executive Directors, including one woman director. The Chairman of the Board is a Non-Executive Director.

The above composition is consistent with the relevant provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchanges.

b. Details of Directors:

Name	Category
V. K. Mundhra	Chairman - Non - Executive Director
PD Mundhra	Whole Time Director - Promoter
Anjan Malik	Non - Executive Director-Promoter
Pradeep Kapoor	Non - Executive Independent Director
Anish Ghoshal	Non - Executive Independent Director
Vikram Limaye	Non - Executive Independent Director
Biren Gabhawala	Non - Executive Independent Director
Alok Goyal	Non - Executive Independent Director
Nityanath Ghanekar*	Non - Executive Independent Director
Deepa Kapoor*	Non - Executive Independent Director

* Appointed as Additional Director w.e.f. March 11, 2014

c. Board Meetings and Procedures

The Board of Directors of the Company have complete access to any information pertaining to activities and operations of the Company. Further, respective functional heads are invited to attend Committee/Board Meetings to discuss internal audit reports and/or to provide detailed insights on items pertaining to their program, forming part of agenda items. Regular updates at such meetings, *inter-alia*, include updates on operations of the Company, presentations on financials including details of foreign exchange exposure and steps taken to minimise exchange fluctuation risks, non-compliance of any regulatory, statutory or listing agreement requirements, if any, and major developments during the period.

During the Financial Year 2013-14, 8 (Eight) Board Meetings were held as follows:

April 09, 2013	May 24, 2013	July 19, 2013	August 8, 2013
August 22, 2013	October 24, 2013	January 21, 2014	March 11, 2014

The Company held its last Annual General Meeting on August 22, 2013.

d. Details of Directors' attendance and other particulars are given below:

Director	Number of Board Meetings Held During the Year		Last AGM Attended (Yes/No)	Number of Directorships on the Board of Other Public Companies	Other Company Committee Positions Held	
	Held	Attended			Member	Chairman
V. K. Mundhra	8	6	Yes	1	-	-
PD Mundhra	8	8	Yes	1	-	-
Anjan Malik	8	7	Yes	-	-	-
Pradeep Kapoor	8	6	Yes	-	-	-
Anish Ghoshal	8	7	Yes	1	-	-
Vikram Limaye	8	7	Yes	12	2	-
Biren Gabhwala	8	8	Yes	-	-	-
Alok Goyal	8	7	Yes	-	-	-
Nityanath Ghanekar*	1	1	NA	1	-	1
Deepa Kapoor*	1	1	NA	-	-	-

* Appointed as Additional Director on the Board w.e.f March 11, 2014

As per Clause 49 of the Listing Agreement, the above disclosure includes memberships / chairmanship of audit committee and shareholders grievance committee in Indian Public Companies (listed and unlisted). The status is as on March 31, 2014.

e. Brief Profile of Directors

The brief resume of Anjan Malik, Nityanath Ghanekar and Deepa Kapoor as required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is included as an Annexure-A to the Notice convening Fourteenth Annual General Meeting. Furthermore Pradeep Kapoor, Anish Ghoshal, Vikram Limaye, Biren Gabhwala and Alok Goyal, the existing non-executive independent directors are proposed to be appointed at the ensuing AGM as Independent Directors within the meaning of the Companies Act, 2013, and SEBI Regulations as applicable. The requisite details are set out in Annexure-B.

Accordingly, the required resolutions for appointment/re-appointment of the above Directors, at the forthcoming Annual General Meeting are included in the Notice convening this Annual General Meeting.

f. Code of Conduct

Pursuant to Clause 49 of the Listing Agreement, the Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY2013-14.

A declaration to this effect signed by the Executive Director is given in this report. The aforesaid code has also been posted on the Company's website www.eClerx.com.

g. Policy on Prohibition of Insider Trading

The Company has in place a Code of Conduct for prohibition of insider trading pursuant to section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company has designed reporting system to prevent insider trading by designated persons and also takes half yearly and annual disclosures from them as stipulated in the said Code of Conduct. Further, Company has put in place a 'Pre-Intimation / Pre-Clearance of Trade' mechanism which makes it mandatory for all the designated person to pre-intimate / obtain prior approval, before dealing in Company's securities, depending upon respective minimum threshold limit set out in the said Code. Pursuant to the Code, all the designated person of the Company are also required to inform his/her shareholding in the Company, if any, as on the date of joining, being promoted to the designation, subject to the prohibition of Insider Trading Code and at the time of leaving the organisation.

III. AUDIT COMMITTEE

a. Primary role of Audit Committee

The primary role of Audit Committee of the Board is to act as a catalyst in monitoring and supervising the management's financial reporting process as well as assisting the Board of Directors in overseeing *inter-alia* the following:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

1. Matters required to be included in the Director's 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
2. Changes, if any, in accounting policies and practices and reasons for the same
3. Major accounting entries involving estimates based on the exercise of judgment by management
4. Significant adjustments made in the financial statements arising out of audit findings
5. Compliance with listing and other legal requirements relating to financial statements
6. Disclosure of any related party transactions
7. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. 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 utilised 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;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. 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;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. 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;
 16. 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;
 17. 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;
 18. To review the functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (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;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. The Audit Committee shall review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- b. Powers of Audit Committee**
- The Audit Committee has, *inter-alia*, the following powers:
1. To investigate any activity within its terms of reference;
 2. To seek information from any employee;
 3. To obtain outside legal or other professional advice; and
 4. To secure attendance of outsiders with relevant expertise, if it considered necessary.

c. Terms of Reference

The Audit Committee has, *inter-alia*, the following mandate, which lays down its roles and responsibilities:

1. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. Reviewing the financial statements and draft audit report, including quarterly/ half yearly financial information;
4. Reviewing with management, the annual financial statements before submission to the Board;
5. Examination of the financial statement and the auditors' report thereon;
6. Reviewing the Company's financial and risk management policies.
7. Monitor related party transactions of the Company
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Monitoring the end use of funds raised through public offers, if any, and related matters.
13. The Audit Committee of the Company or the Board shall, in consultation with the Internal Auditor, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.
14. The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
15. The Committee shall have authority to investigate into any matter in relation to the items specified or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;

d. The Composition of the Audit Committee and the details of its Meetings held and attended by its members during FY2013-14:

Name	Category	Meetings Held During the Tenure	Meetings Attended
Biren Gabhawala	Member - Chairman (Non - Executive Independent Director)	5	5
Pradeep Kapoor	Member (Non - Executive Independent Director)	5	4
Anish Ghoshal	Member (Non - Executive Independent Director)	5	4
PD Mundhra	Member (Executive Director)	5	5
Nityanath Ghanekar*	Member (Non - Executive Independent Director)	1	1

*Appointed as a member of the Committee w.e.f. March 11, 2014

The Company Secretary of the company acts as Secretary to the Committee.

The Company has a well-qualified and independent Audit Committee consisting of four Non- Executive Independent Directors and an Executive Director, having adequate financial and accounting knowledge. The Board of Directors of the Company vide its resolution dated April 30, 2014, re-constituted the Audit Committee in line with the Companies Act, 2013, relevant SEBI Regulations and requirements, besides the Listing Agreement. Accordingly the constitution, powers, duties and responsibilities of the Audit Committee are in line with *inter-alia* provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the stock exchanges.

Statutory Auditors as well as Internal Auditors participate in the Audit Committee meetings. In addition to the above, the Committee meetings were also attended by the Chief Financial Officer of the Company alongwith Program Manager / Associate Principal – Corporate Finance.

The minutes of the Audit Committee Meetings are placed before the Board. The Chairman

of the Audit Committee briefs the Board Members about the significant discussions and the decisions taken at Audit Committee meetings.

The Chairman of the Audit Committee attended Thirteenth Annual General Meeting of the Company held on August 22, 2013.

e. During the FY2013-14, 5 (five) Audit Committee Meetings were held:

May 24, 2013	July 19, 2013	October 24, 2013
January 21, 2014	March 11, 2014	

IV. NOMINATION AND REMUNERATION COMMITTEE

The Company had two separate committees i.e. Remuneration Committee and Nomination Committee. However as per section 178 of Companies Act, 2013, (effective from April 1, 2014,) every listed Company shall constitute the Nomination and Remuneration Committee. In order to comply with provisions of the Companies Act, 2013, the Nomination and Remuneration Committee was formed by merging extant two committees viz., Nomination Committee and Remuneration Committee with effect from April 1, 2014.

The Composition of the Committee:

Name	Category	Designation
Anish Ghoshal	Non-Executive Independent Director	Chairman
Alok Goyal	Non-Executive Independent Director	Member
Nityanath Ghanekar	Non-Executive Independent Director	Member
V. K. Mundhra	Non-Executive Director	Member
Anjan Malik	Non-Executive Director	Member

a. Terms of reference:

The Committee has, *inter-alia*, the following mandate:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall

carry out evaluation of every director's performance.

2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.
4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability.
5. Oversee the implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.
6. Decide/approve details of fixed component and performance linked incentives along with the performance criteria.
7. Devising a policy on Board diversity.
8. Formulation of criteria for evaluation of Independent Directors and the Board.
9. The Nomination and Remuneration Committee shall, while formulating the Remuneration policy ensure that:
 1. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

b. The Composition of the erstwhile Remuneration Committee# and the details of its Meeting held and attended by its members during FY2013-14:

Name	Category	Meetings Held During the Tenure	Meetings Attended
Anish Ghoshal	Chairman (Non- Executive Independent Director)	5	4
Nityanath Ghanekar*	Member (Non-Executive Director)	1	1
Vikram Limaye**	Member (Non- Executive Independent Director)	5	4
V. K. Mundhra	Member (Non-Executive Director)	5	4
Alok Goyal	Member (Non- Executive Independent Director)	5	5

*Appointed as a member of the Committee w.e.f. March 11, 2014

**Stepped down from the Committee w.e.f. March 22, 2014

#Extant two Committees viz., Remuneration and Nomination Committee merged to form the Nomination and Remuneration Committee w.e.f. April 1, 2014.

The Company Secretary of the Company acts as Secretary to the Committee.

c. During the FY2013-14, 5 (five) Remuneration Committee Meetings were held:

May 24, 2013	July 19, 2013	October 24, 2013	January 9, 2014	March 11, 2014

d. The Composition of erstwhile Nomination Committee#:

Name	Category	Designation
Vikram Limaye	Non-Executive Independent Director	Chairman
Anjan Malik	Non-Executive Director	Member
Alok Goyal	Non-Executive Independent Director	Member

#Extant two Committees viz., Remuneration and Nomination Committee merged to form the Nomination and Remuneration Committee w.e.f. April 1, 2014.

e. During the FY2013-14, 4 (four) Nomination Committee Meetings were held:

May 24, 2013	July 19, 2013	October 24, 2013	January 21, 2014

f. Details of remuneration paid/payable to Directors for FY2013-14 are as follows:

Name	Salary & Perquisites	Commission#	Sitting Fees	Total
V. K. Mundhra	-	-	-	-
PD Mundhra	23,116	-	-	23,116
Anjan Malik	-	-	-	-
Pradeep Kapoor	-	800	120	920
Anish Ghoshal	-	800	140	940
Vikram Limaye	-	800	140	940
Biren Gabhawala	-	800	160	960
Alok Goyal	-	800	160	960
Nityanath Ghanekar*	-	46	20	66
Deepa Kapoor*	-	46	20	66

*Appointed as Additional director on the Board w.e.f March 11, 2014

#Commission for FY2013-14 will be paid in FY2014-15

The Non Executive Independent Directors of the Company are being paid sitting fees as per the Companies Act, 2013 and no sitting fee is paid to Non Executive Non Independent Directors.

g. Remuneration by way of commission to Non-Executive Independent Director:

Shareholders of the Company vide Special Resolution passed at 13th Annual General Meeting held on August 22, 2013 approved the payment of remuneration by way of Commission to Non-Executive Independent

Directors of the Company. The said remuneration is subject to an aggregate limit of sum not exceeding 1% of net profit of the Company for respective financial year, as calculated in accordance with the provisions of the Companies Act 1956/any re-enactment thereof provided that such amount shall not exceed Rs. 12 Lacs per annum per Non-Executive Independent Director in addition to the fee payable to them for attending the meeting of Board of directors of the Company or any committee(s) thereof.

The extant Remuneration Committee at its Meeting held on January 9, 2014, considered the same and accordingly recommended the payment of remuneration by way of commission of Rs. 8 Lacs p.a. to each of Non-Executive Independent Directors of the Company for FY2013-14 and recommended the same to the Board for its consideration and approval.

The Board in its meeting held on May 20, 2014, considered and approved the payment of remuneration of Rs. 8 Lacs by way of commission to each of the Non-Executive Independent Director. The commission would be paid in proportion to the term served by the director in respective financial year.

h. Remuneration to Whole-time Director:

PD Mundhra, Executive Director of the Company at the Remuneration Committee meeting held on March 11, 2014, offered to forgo his annual remuneration increment for the FY2014-15 conveying that he believed that the current remuneration reflected fair value for his contribution to the Organisation. The Committee at the said Meeting, accepted the said offer by the Executive Director, however, considering the fact that the Executive Director had forgone any increment for last two financial years,

recommended to the Board of Directors that the annual performance bonus, which is merit based and takes into account the Company's performance, be fixed as not exceeding Rs. 1,17,30,000 for FY2014-15. The Board of Directors at its meeting held on May 20, 2014 deliberated upon the same and approved annual performance bonus for FY2014-15 as not exceeding Rs. 1,17,30,000. As regards FY2013-14 the Board as per the recommendation of Remuneration Committee approved payment of Rs. 8,500,000 as annual performance bonus out of maximum entitlement being Rs.10,350,000.

i. Details of shareholding of Non-Executive Directors as on March 31, 2014

Sr. No.	Name of the Director	Shareholding (No. of Shares)
1	V. K. Mundhra	32,287
2	Anjan Malik	7,922,250
3	Pradeep Kapoor	12,750
4	Anish Ghoshal	105
5	Vikram Limaye	7,140
6	Biren Gabhawala	Nil
7	Alok Goyal	Nil
8	Nityanath Ghanekar	Nil
9	Deepa Kapoor	Nil

j. Details of options held and exercised by Non-Executive Independent Directors as at March 31, 2014 during the year ended on that date:

Name	No. of Options Granted	ESOP Scheme	Vest Date	No. of Options Exercised	Expiry Date
Pradeep Kapoor	15,000	ESOP Scheme 2008	April 1, 2011	15,000	March 31, 2014
	7,500		April 1, 2012	7,500	March 31, 2015
	5,250		April 1, 2013	5,250	March 31, 2016
	6,000		April 1, 2014	-	March 31, 2017
	4,500	ESOP Scheme 2011	April 1, 2015	-	March 31, 2018
Anish Ghoshal	15,000	ESOP Scheme 2008	April 1, 2011	15000	-
	7,500		April 1, 2012	7,500	-
	5,250		April 1, 2013	5,250	March 31, 2016
	6,000		April 1, 2014	-	March 31, 2017
	4,500	ESOP Scheme 2011	April 1, 2015	-	March 31, 2018

Name	No. of Options Granted	ESOP Scheme	Vest Date	No. of Options Exercised	Expiry Date
Vikram Limaye	15,000	ESOP Scheme 2008	April 1, 2011	15,000	March 31, 2014
	7,500		April 1, 2012	7,500	March 31, 2015
	5,250		April 1, 2013	-	March 31, 2016
	6,000		April 1, 2014	-	March 31, 2017
	4,500		ESOP Scheme 2011	April 1, 2015	-
Biren Gabhawala	8,000	ESOP Scheme 2008	April 1, 2014	-	March 31, 2017
Gabhawala	4,500	ESOP Scheme 2011	April 1, 2015	-	March 31, 2018
Alok Goyal	6,000	ESOP Scheme 2011	April 1, 2015	-	March 31, 2018

The options granted to the directors of the Company were aligned to materially improved Company performance. Quantum of the options granted to the Directors was also restricted to around 5% of the respective grant aggregate. Furthermore w.e.f. FY2013-14 the Remuneration Committee has stopped granting ESOPs to the Independent Directors of the Company, in view of the (then draft) provisions of the Companies Act 2013.

V. STAKEHOLDER RELATIONSHIP AND SHAREHOLDERS' GRIEVANCE COMMITTEE

The Committee was earlier designated as Shareholders Grievance Committee pursuant to Listing Agreement, which is presently effective. The same was renamed as Stakeholders Relationship and Shareholders Grievance Committee to comply with the provisions of Companies Act, 2013 and Listing Agreement.

The Committee facilitates effective redressal of Investor Complaints and oversees share transfers.

a. Composition of the Committee:

Name	Category
Pradeep Kapoor	Chairman (Non-Executive Independent Director)
Anish Ghoshal	Member (Non-Executive Independent Director)
P D Mundhra	Member (Executive Director)
Biren Gabhawala	Member (Non-Executive Independent Director)

The Company Secretary of the Company acts as Compliance Officer to the Committee.

The constitution, duties and responsibilities of the Stakeholders Relationship and Shareholders' Grievance Committee are in line with Clause 49 of the Listing Agreement with the stock exchanges and the Companies Act, 2013.

b. During the FY2013-14, 4 (four) Committee meetings were held:

May 24, 2013	July 19, 2013	October 24, 2013
January 21, 2014		

The total number of shareholders' complaints received and replied by the Registrar & Transfer Agent to the satisfaction of shareholders during the year under review was 41. All complaints of shareholders were satisfactorily resolved. There are no complaints pending as on March 31, 2014.

VI. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board at its meeting held on October 24, 2013, constituted Corporate Social Responsibility Committee (CSR Committee) *inter-alia* to perform the following functions:

- To formulate CSR Policy of the Company;
- To recommend the amount of expenditure to be incurred on the CSR activities;

3. Ensure that the activities as included in Corporate Social Responsibility Policy of the Company are undertaken by the company;
4. To ensure that company spend atleast 2% of average net profit of the company in every financial year;
5. Monitor the CSR Policy of the Company from time to time;
6. The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the company; and
7. To do all such acts, deeds and things as deemed necessary to achieve overall CSR objectives of the Company and to ensure compliance with relevant regulations.

The Composition of the Committee:

Name	Category	Designation
Deepa Kapoor*	Non-Executive Independent Director	Chairperson
Anish Ghoshal**	Non-Executive Independent Director	Member
Biren Gabhawala	Non-Executive Independent Director	Member
PD Mundhra	Executive Director	Member

* Appointed as Chairperson of the committee w.e.f. March 11, 2014

** Ceased to be Chairman and continue to be a member of the Company w.e.f. March 11, 2014

VII. GENERAL BODY MEETINGS

a. Annual General Meeting:

The location and time of the last three Annual General Meetings (AGMs) of the Company are given below:

Year	Date	Time	Venue
2012-13	August 22, 2013	10.15 a.m	Walchand Hirachand Hall, Indian Merchants Chamber,
2011-12	August 23, 2012	10.15 a.m.	LNM IMC Building, Churchgate,
2010-11	August 24, 2011	10.15 a.m.	Mumbai 400 020

b. Extraordinary General Meeting:

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

c. Following Special Resolutions were passed in the previous three AGMs:

Subject	Date of AGM
Amendment(s) to ESOP plan(s) / Scheme(s) of the Company with regards to removal/deletion of Clauses permitting the Employee Welfare Trust (ESOP trust) to acquire the Securities of the Company from Secondary Market.	
Amendment(s) to Employee Stock Option Scheme 2008 (ESOP 2008) to incorporate the clause(s) pertaining to implication upon delayed / non-payment of exercise and / or tax money.	
Amendment(s) to Employee Stock Option Scheme 2011 (ESOP 2011) to incorporate upon delayed / non-payment of exercise and / or tax money.	August 22, 2013
Amendment(s) to Employee Stock Option Scheme 2011 (ESOP 2011) to increase number of options which can be granted under ESOP 2011 to the employees of the Company.	
Amendment(s) to Employee Stock Option Scheme 2011 (ESOP 2011) to increase number of options which can be granted under ESOP 2011 to the employees of the subsidiaries of the Company.	
Payment of remuneration by way of commission to Non-Executive Independent Directors of the Company	
No Special Resolution was passed.	August 23, 2012
Raising of Long Term Financial Resources.	
Revision in time-lines for utilisation of Initial Public Offer (IPO) proceeds.	
Issue of Stock Options to the Employees of the Company under Employee Stock Option Scheme / Plan 2011.	
Issue of Stock Options to the Employee of subsidiary of the Company under Employee Stock Option Scheme / Plan 2011.	August 24, 2011
Approval under section 81(1A) and other applicable provisions of the Companies Act, 1956 for issue of shares to Employee Welfare Trust(s).	

d. Postal Ballot

During the year under review, following special resolution(s) were passed by way of Postal Ballot with the requisite majority:

Particulars	Date of Declaration of Result	% of Vote in Favour as against Total Valid Votes
To Amend the Articles of Association of Company to provide for an enabling authorization to the Board of Directors of the Company to authorise Buy-Back as permitted under the Companies Act, 1956	June 3, 2013	99.997%

Ms. Savita Jyoti Associates, Company Secretary, Hyderabad, was appointed as Scrutiniser for overseeing the Postal Ballot process. No special resolution requiring a postal ballot is being proposed for the ensuing Annual General Meeting. The procedure prescribed under Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 has been followed for the Postal Ballot conducted during the year for the resolution mentioned above.

VIII. DISCLOSURES

- a. In respect of related party transactions, the Company does not have any transactions which may have potential conflict with the interest of the Company at large. The details of transactions with Related Parties have been given in the notes to Financial Statements.
- b. No penalties / strictures were imposed on the Company by the stock exchanges or SEBI or any statutory authority in any matters related to the capital markets during the last three years.
- c. Pursuant to Clause 49 of Listing Agreement and Companies Act, 2013, the Company has in place an adequate and functional vigil mechanism i.e. Whistle Blower Policy for directors and employees to report genuine concerns. Further no employee has been denied access to the Audit Committee.
- d. Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement, as applicable. Though the Company does not comply with some of the non-mandatory requirements on date, the Company is committed towards complying with Clause 49 as a whole and will take suitable measures as and when possible.

IX. RISK MANAGEMENT FRAMEWORK

a. Risk Management Framework

Risk Management Framework is the process of identification, assessment, and prioritization of risks with the purpose of application of resources to minimise, monitor,

and control the likelihood and/or impact of unfortunate events identified as risks. The purpose of the risk management framework is to assist the Board in identification, evaluation and mitigation of operational, strategic and external environment risks.

The objective of the Risk Management policy is to manage the risks involved in all the activities of the Company to maximise opportunities and minimize adversity. The policy aims to assist the Management in decision making processes that will minimise potential losses, improve the management of uncertainty and to approach the new opportunities, thereby helping the Company to achieve its objectives.

b. The key objectives of the Risk Management policy are:

- To safeguard the Company properties, interests, and interest of all the stakeholders;
- To lay down a framework for identification, measurement, reporting, evaluation and mitigation of various risks;
- To evolve the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects, which the business and operations of the Company are exposed to;
- To maintain a balance between the cost of managing risk and the anticipated benefits; and
- To create awareness among the employees to assess risks on a continuous basis & develop risk mitigation plans in the interest of the Company.

The framework casts a responsibility on each risk owner to identify and analyse risks with the respective departmental head and mitigate the same in consultation with the Management. The status of risk analysis review is periodically presented before the Board of Directors of the Company.

X. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis Report for the FY2013-14, as per the requirements, *inter-alia*, of Listing Agreement, is given in a separate section forming part of the Annual Report.

XI. MEANS OF COMMUNICATION

The Company publishes its quarterly, half yearly and annual results in the prescribed form, within the prescribed time. The results are submitted to the stock exchanges where the shares of the Company are listed and the same are published in Economic Times and Maharashtra Times. These financial results are also displayed on the Company's website www.eclerx.com. The

quarterly investor presentations after declaration of quarterly, half-yearly and annual results are displayed on the Company's website. The Company's website also displays the official news releases.

As a transparency initiative, your Company has explained its business comprehensively in Management Discussion and Analysis, which forms a part of this Annual Report.

XII. SHAREHOLDERS' INFORMATION

This section, *inter alia*, provides information to the shareholders pertaining to the Company, its shareholding pattern, share price movements and other information as required under the listing agreement.

Date of AGM	Thursday, July 10, 2014	
Time of AGM	10.15 a.m.	
Venue of AGM	Walchand Hirachand Hall, Indian Merchants' Chamber LNM IMC Building, Churchgate, Mumbai - 400 020	
Financial Year	April to March	
Financial Calendar (2014-15) (Tentative)	Declaration of Results for the Quarter Ending on	Tentative Board Meeting Schedule
	June 30, 2014	Last week of July 2014
	September 30, 2014	Last week of October 2014
	December 31, 2014	Last week of January 2015
	March 31, 2015	Last week of May 2015
	Fifteenth Annual General Meeting	Second fortnight of July 2015
Date of book closure	Friday, July 4, 2014 to Thursday, July 10, 2014 (Both days inclusive)	
Dividend payment date	If declared, shall be paid on / after Tuesday, July 15, 2014.	
Shares held in physical form	<p>Shareholders holding shares in the physical form are requested to promptly notify/send the following details to the Registrar and Transfer Agent of the Company, to facilitate better servicing:</p> <ul style="list-style-type: none"> • Any change in their address/mandate/bank details, and • Particulars of the bank account in which they wish their dividend to be credited, in case have not been furnished earlier. • Shareholders are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialised form respectively, will be printed on their dividend warrants as a precautionary measure of protection against fraudulent encashment. 	

Shares held in electronic form	<p>Shareholders holding shares in electronic form may please note that:</p> <ul style="list-style-type: none"> • Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company. • Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. • Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.
Listing on stock exchanges	The Equity shares of the Company got listed on December, 31 2007. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
Listing fees	The Company has paid the Annual Listing fees to the BSE and NSE for the FY2014-15.
ISIN number	For NSDL/ CDSL : INE738I01010
BSE code	532927
NSE symbol	ECLERX
Registered office	Sonawala Building, 1st Floor 29 Bank Street, Fort, Mumbai - 400 023
Corporate office & delivery facilities	<p>Indiabulls Finance Center, 1102, 11th Floor, Tower 2, 612/613, S B Marg, Elphinstone Road (West), Mumbai – 400 013</p> <p>301, 3rd Floor, Raheja Plaza 1, L.B.S. Road, Ghatkopar (West), Mumbai – 400086</p> <p>202, Ashok Silk Mills, L. B. S. Road, Opp. Damodar Park, Ghatkopar (West), Mumbai – 400 086</p> <p>Building # 14, 4th & 5th Floor, K Raheja Mindspace, Plot # 3, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai – 400 708</p> <p>Block 01, 5th Floor, Quadron Business Park Limited, Rajiv Gandhi Infotech Park, Hinjewadi Phase-II, Pune – 411 057</p> <p>2nd Floor, Block 4, Quadron Business Park, Plot No 28, Rajiv Gandhi Infotech Park, Hinjewadi Phase II, Pune – 411 057</p>
Registrars and share transfer agents (RTA)	<p>Karvy Computershare Private Ltd Plot No. 17 to 24, Vittal Rao Nagar Madhapur, Hyderabad – 500 081 Ph Nos.: 040 - 2342 0815 to 824 Fax No.: 040 - 2342 0814 Email: einward.ris@karvy.com</p>

Share transfer system	About 99.99% of the equity shares of the Company are in dematerialised form. Transfer of these shares is effected through depositories without involvement of the Company. As regards transfer of shares in physical form, the same are processed and approved on a regular basis and the certificates are returned to the shareholders within 30 days from the date of receipt (subject to the documents being valid and complete in all respects).
Dematerialisation of shares	All requests for dematerialisation of shares are processed and confirmed to the depositories, viz, NSDL and CDSL, by our R&T Agents within a period of 21 days. (subject to the documents being valid and complete in all respects). The particulars of the dematerialisation are reported to the Board/Committees for its noting.
Shares in dematerialised mode	The shares of the Company are compulsorily traded in dematerialised form. The shares of the Company are admitted for trading under both depository systems in India: NSDL and CDSL. A total number of 30,176,899 Equity shares of the Company constituting over 99.99 per cent of the Company's equity shares were dematerialised as on March 31, 2014. The total number of issued shares of the Company as on March 31, 2014, was 30,176,907.
Outstanding GDRs /ADRs / warrants or any convertible instruments, conversion and likely impact on equity	The Company has not issued any of these instruments.
Compliance certificate of the auditors	Certificate from the Statutory Auditors of the Company, Walker Chandio & Co LLP, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed and forms part of the Report on Corporate Governance.
Unclaimed Dividend	Section 124(5) of the Companies Act, 2013 requires the Company to transfer dividend that has not been claimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund ('IEPF'). In accordance with the schedule below, the dividend for the years mentioned therein, if unclaimed within the stipulated period of seven years, will be transferred to the said Investor Education and Protection Fund.

Year	Nature of Dividend	Dividend Per Share (Rs.)	Date of Declaration	Due Date for Transfer	Amount* (Rs.)
2007-08	Final Dividend	2.00	September 1, 2008	September 30, 2015	73,730.18
2008-09	Interim Dividend	2.50	October 30, 2008	November 29, 2015	88,241.22
2008-09	Final Dividend	10.00	August 26, 2009	September 25, 2016	207,721.38
2009-10	Interim Dividend	7.50	October 28, 2009	November 27, 2016	149,694.51
2009-10	Final Dividend	10.00	September 16, 2010	October 15, 2017	182,289.70
2010-11	Dividend	22.50	August 24, 2011	September 23, 2018	273,127.50
2011-12	Dividend	17.50	August 23, 2012	September 22, 2019	168,615.00
2012-13	Dividend	25.00	August 22, 2013	September 21, 2020	200,450.00

*Amount unclaimed as on March 31, 2014

The shareholders who have not claimed their dividend are advised to do the same as once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. Section 124(6) of the Companies Act, 2013 provides that all shares in respect of which unpaid or unclaimed dividend has been transferred to IEPF shall also be transferred by the company in the name of IEPF subject to prescribed compliances.

Balance in IPO Refund Account	<p>The IPO Refund Account of the Company was having a balance of Rs. 326,655/- as on March 31, 2014 pertaining to IPO share application money of investors, made in December 2007. The said balance was Rs. 326,655/- as on March 31, 2012. The Company has been sending repeated communications to the concerned investors as per details available with it however it has not received much of response from them. Furthermore, wherever possible the Company sent its representative at the addresses of the investors as available in Company's records. The Company will continue with its efforts to reach such investors to request to claim their money.</p> <p>The investors, who have not yet claimed their money, are requested to claim the same, as pursuant to Section 125(2)(h) of the Companies Act, 2013, the balance in the said Account will be transferred to IEPF, if the same remains unclaimed for a period of seven years and thereafter no claim shall lie in respect thereof with the Company. The due date for said transfer is December 18, 2014. The details of such investors are available on the website of the Company.</p>
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Details of Unclaimed shares as provided by our RTA i.e. Karvy Computershare Private Limited pursuant to Clause 5A of the Listing Agreement

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on April 1, 2013	17	503
2	Number of Shareholders approached the Company to claim aforesaid unclaimed shares and to whom the shares were transferred	Nil	Nil
3	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2014	17	503

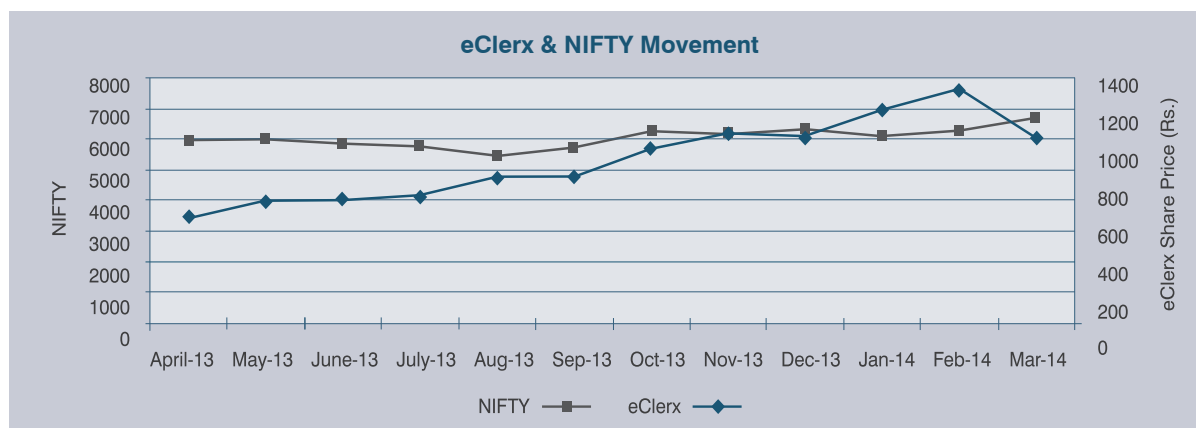
As required under the said Clause of the Listing Agreement the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Market Price Data

Market Price Data (in Rs. per share)

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2013	697.00	602.75	697.95	603.00
May 2013	715.00	600.05	718.00	600.00
June 2013	740.00	680.00	742.25	678.30
July 2013	859.90	695.65	859.80	700.00
August 2013	839.45	710.00	840.00	711.65
September 2013	870.00	790.00	872.00	807.15
October 2013	1,069.95	845.00	1,071.00	835.00
November 2013	1,247.70	961.60	1,244.00	995.10
December 2013	1,135.00	1,015.00	1,126.95	1,007.15
January 2014	1,247.50	1,022.85	1,246.30	1,021.10
February 2014	1,370.05	1,121.50	1,371.00	1,119.00
March 2014	1,329.55	1,036.00	1,335.00	1,030.00

The performance comparison of eClerx Services Limited's closing share prices at the end of each month with NSE NIFTY is presented below:



Distribution of Shareholding as on March 31, 2014

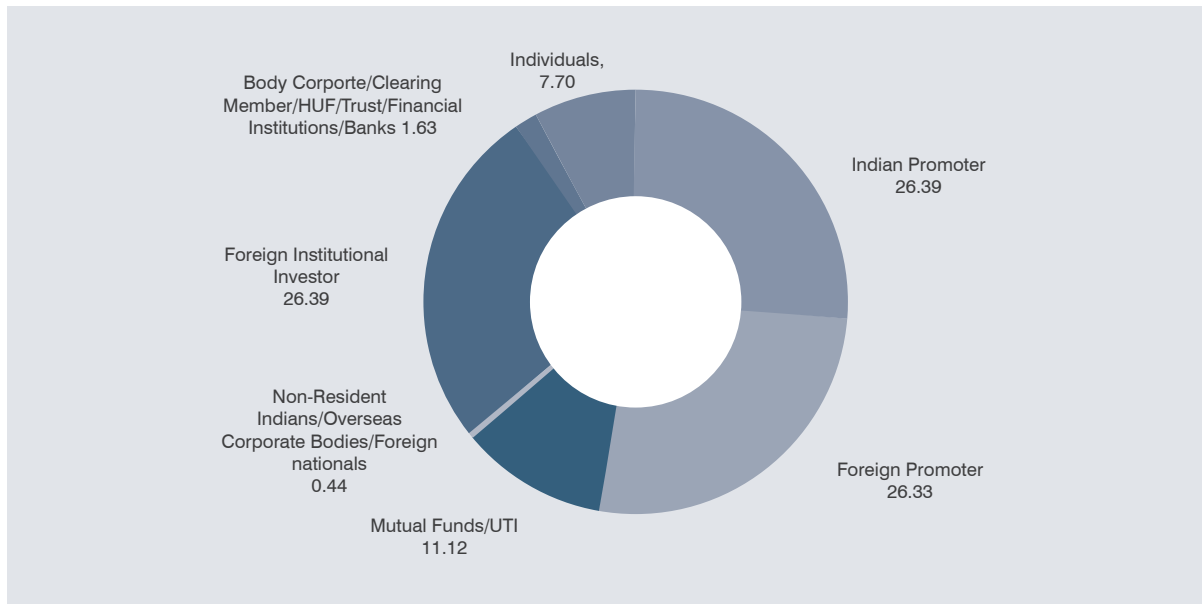
Category	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
From - To				
1 - 5000	14,205	96.22	6,313,350	2.09
5001 - 10000	198	1.34	1,474,380	0.49
10001 - 20000	119	0.81	1,709,610	0.57
20001 - 30000	41	0.28	1,020,870	0.34
30001 - 40000	22	0.15	793,250	0.26
40001 - 50000	21	0.14	976,750	0.32
50001 - 100000	51	0.35	3,894,300	1.29
100001 & Above	106	0.72	285,586,560	94.64
TOTAL	14,763	100	301,769,070	100

Shareholding Pattern

The shareholding pattern of the Company as on March 31, 2014 was as under:

S. No.	Category of Shareholder	No. of Shares	% Shareholding
(A) Shareholding of Promoter and Promoter Group			
1	Indian	7,964,436	26.39
2	Foreign	7,946,683	26.33
	Total Promoters Shareholding (A)	15,911,119	52.72
(B) Public Shareholding			
1	Institutions		
(a)	Mutual Funds/UTI	3,354,664	11.12
(b)	Financial Institutions/Banks/Insurance Companies	3,274	0.01
(c)	Foreign Institutional Investor	7,963,173	26.39

S. No.	Category of Shareholder	No. of Shares	% Shareholding
2	Non-Institutional Investor		
(a)	Body Corporate/Clearing Member/HUF/Trust	487,426	1.62
(b)	Individuals	2,323,879	7.70
3	Others		
(a)	Non Resident Indian	133,372	0.44
Total Public Shareholding (B)		14,265,788	47.28
Total (A) + (B)		30,176,907	100.00



Shareholder Inquiries

Questions concerning folio, share certificates, dividend, address changes, consolidation of certificates and related matters should be addressed to the Company at its Registered office or its Registrar and Transfer Agent at the below mentioned addresses:

Registered Office:

eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor
29 Bank Street, Fort, Mumbai – 400 023
Ph. No.: +91 (22) 66148301
Fax No.: +91 (22) 6614 8655
Email: investor@eclerx.com
Website: www.eclerx.com

Registrar and Transfer Agent:

Karvy Computershare Private Ltd
Plot No. 17 to 24,
Vittal Rao Nagar,
Madhapur,
Hyderabad – 500 081
Ph Nos.: +91 (40) 2342 0815 to 824
Fax No.: +91 (40) 2342 0814
Email: einward.ris@karvy.com

Code of Conduct Declaration

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To
The Members of
eClerx Services Limited

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board members and senior management personnel of the Company, for the year ended on March 31, 2014.

For eClerx Services Limited

PD Mundhra
Executive Director

Place: Mumbai
Date: May 20, 2014

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification, issued pursuant to the provisions of Clause 49 of the Listing Agreement

The Board of Directors

eClerx Services Limited

Dear Sirs,

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of our knowledge and belief:
 - i. Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. Financial 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 which are fraudulent, illegal or violate 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 have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they 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
 - i. that there were no significant changes, in internal control over financial reporting during the year;
 - ii. that there were no Significant changes, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there were no instances of any fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

PD Mundhra
Executive Director

Rohitash Gupta
Chief Financial Officer

Mumbai
May 20, 2014

Auditors' Certificate

on compliance of conditions of Corporate Governance

To

**The Members of,
eClerx Services Limited**

We have examined the compliance of the conditions of Corporate Governance by eClerx Services Limited for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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.

For Walker, Chandiook & Co. LLP
(formerly known as Walker, Chandiook & Co.)
Chartered Accountants
Firm Registration No: 001076N

per **Khushroo B. Panthaky**
Partner
Membership No.F-42423

Mumbai
May 20, 2014

Independent Auditors' Report

To The Members of eClerx Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of eClerx Services Limited, ('the Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - ii. in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those book.
- c. the financial statements dealt with by this report are in agreement with the books of account.
- d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- e. on the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Act.

For **Walker Chandiok & Co LLP**
(formerly known as Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N

per **Khushroo B. Panthaky**
Partner
Membership No.F-42423

Place: Mumbai
Date: May 20, 2014

Annexure to the Independent Auditors' Report of even date to the members of eClerx Services Limited, on the financial statements for the year ended March 31, 2014

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The Company does not have any inventory. Accordingly, the provisions of clause 4(ii) of the Order are not applicable.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (b) to 4(iii) (d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (f) and 4(iii) (g) of the Order are not applicable.
- (iv) Owing to the nature of its business, the Company does not maintain any physical inventories or sells any goods. Accordingly, clause 4(iv) of the Order with respect to purchase of inventories and sale of goods is not applicable. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not entered into any contracts or arrangements referred to in Section 301 of the Act. Accordingly, the provisions of clause 4(v) of the Order are not applicable.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of the Company's services. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been slight delay in a few cases. Further no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rupees in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax demand	9.67	Assessment Year 2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	3.53	Assessment Year 2007-08	Supreme court
Income Tax Act, 1961	Income tax demand	0.09	Assessment Year 2009-10	Commissioner of Income Tax (Appeals)
The Finance Act, 1994 – Service Tax	Service tax demand	7.44	Financial Year 2007-08 to 2011-12	Commissioner of Service Tax

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 4(xi) of the Order are not applicable.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly the provisions of clause 4(xvi) of the Order are not applicable.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) During the year the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the year covered by our audit.

For **Walker Chandiok & Co LLP**
(formerly known as Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N

per **Khushroo B. Panthaky**
Partner
Membership No.F-42423

Place: Mumbai
Date: May 20, 2014

Balance Sheet

as at March 31, 2014

(Rupees in million)

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	301.77	298.75
Reserves and Surplus	4	5,082.45	3,808.72
		5,384.22	4,107.47
Current Liabilities			
Trade Payables	5	319.09	257.54
Other Current Liabilities	6	76.08	60.58
Short-term Provisions	7	1,494.36	1,164.78
		1,889.53	1,482.90
TOTAL		7,273.75	5,590.37
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	403.02	426.59
Intangible Assets	8	24.63	25.91
Capital work in Progress		11.84	3.16
Non-current Investments	9	999.09	1,265.83
Deferred Tax Assets (Net) (Refer Note 20)		28.75	13.35
Long-term Loans and Advances	10	147.14	86.87
		1,614.47	1,821.71
Current Assets			
Current Investments	9	1,121.48	351.56
Trade Receivables	11	827.84	564.93
Cash and Bank Balances	12	2,224.87	1,695.01
Short-term Loans and Advances	10	518.84	447.71
Other Current Assets	13	966.25	709.45
		5,659.28	3,768.66
TOTAL		7,273.75	5,590.37

Notes 1 to 34 form an integral part of these financial statements

As per our report of even date
For **Walker Chandiook & Co LLP**
(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra **PD Mundhra** **Anjan Malik** **Biren Gabhawala**
Chairman Executive Director Director Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2014

	Note	Year ended March 31, 2014	Year ended March 31, 2013
(Rupees in million)			
INCOME			
Revenue from Operations		7,133.84	5,709.21
Other Income (net)	14	157.63	(206.82)
		7,291.47	5,502.39
EXPENDITURE			
Employee Benefit expense	15	2,152.34	1,820.98
Other expenses	16	1,905.62	1,617.73
Depreciation and amortisation expense	8	143.28	157.34
		4,201.24	3,596.05
Profit before taxes		3,090.23	1,906.34
Tax Expense			
- Current Tax		640.53	351.17
- Deferred Tax		(15.40)	(4.06)
		625.13	347.11
Profit after tax		2,465.10	1,559.23
Earnings per share (refer note 26)			
Earning per share (in Rs.)			
- Basic		82.09	53.00
- Diluted		79.85	51.72
Notes 1 to 34 form an integral part of these financial statements			

As per our report of even date

For **Walker Chandiok & Co LLP***(formerly known as Walker, Chandiok & Co)*

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Cash Flow Statement

for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Exceptional Items	3,090.23	1,906.34
Adjustments for :		
Depreciation	143.28	157.34
Stock Options Outstanding	(1.16)	3.69
Profit on Sale of Investments	(0.18)	(0.03)
(Profit / Loss on Sale of assets	(0.04)	(0.15)
Provision for Doubtful debts	-	(0.22)
Bad Debts Written off	0.86	-
Dividend Income	(38.01)	(27.77)
Interest Income	(100.33)	(61.06)
Operating Profit Before Working Capital Changes	3,094.65	1,978.14
Adjustments for :		
Trade Receivables	(263.77)	(143.64)
Long-term Loans and Advances	(60.27)	(0.29)
Short-term Loans and Advances	(63.11)	(180.22)
Other Current Assets	(256.80)	(73.82)
Trade Payables	61.55	(30.66)
Other Current Liabilities	15.50	10.23
Short Term Provisions	(27.76)	49.52
Cash Generated by Operating Activities	2,499.99	1,609.26
Income Taxes paid (net of refunds)	(645.09)	(337.48)
Net Cash generated by Operating Activities	1,854.90	1,271.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	2,467.03	4,219.23
Purchase of Investments	(3,236.48)	(3,571.92)
Investments in Subsidiaries	266.45	(1,258.32)
Sale of Fixed Assets	1.31	7.58
Purchase of Fixed Assets (including Capital work in progress)	(128.37)	(148.28)
Interest received	92.31	61.06
Dividend received	38.01	27.77
Net Cash used in Investing Activities	(499.74)	(662.88)

Cash Flow Statement

for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from equity issued	85.44	70.40
Buyback of equity share capital	(30.65)	-
Dividend Paid	(753.16)	(513.82)
Dividend Tax Paid	(120.64)	(77.18)
Short Provision for Dividend and Dividend Tax	(6.29)	(6.17)
Net Cash used in Financing Activities	(825.30)	(526.77)
Net Increase in Cash and cash equivalents	529.86	82.13
Cash and Cash Equivalents at the beginning of the year	1,695.01	1,612.88
Cash and Cash Equivalents at the end of the year (refer note 12)	2,224.87	1,695.01
Notes 1 to 34 form an integral part of these financial statements		

As per our report of even date

For **Walker Chandiok & Co LLP***(formerly known as Walker, Chandiok & Co)*

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

1. a) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenue from time and material and unit priced contracts are recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract. Unbilled revenues included in other current assets represent cost and earnings in excess of billings as at the Balance Sheet date.

Advance billing included in other current liabilities represent billing in excess of revenue recognised.

Revenue is recognised net of rebate. The rebate is accrued evenly based on the probability of achievement of the specified level of sales.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable

Dividend income is recognised when Company's right to receive dividend is established.

b) Fixed assets, depreciation and amortization

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation / amortisation. Fixed assets under construction, advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

Depreciation on fixed assets is provided under Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Leasehold improvements are amortised over the remaining primary period of lease. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis which generally do not exceed ten years. Assets costing less than Rs. 5,000 are depreciated over a period of one year from date of acquisition.

c) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value. Non-current investments are carried at cost and provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

Profit or loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.

d) Impairment of Assets

In accordance with AS 28 'Impairment of Assets' notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the Statement of Profit and Loss or against revaluation surplus where applicable.

e) Employee benefits

Provident Fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions are charged to Statement of Profit and Loss account on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

Gratuity

The Company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year, based upon which the Company contributes to the scheme with LIC. The Company also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the Balance Sheet date.

Compensated Absences

The employees are entitled to leave encashment. Provision for the liability of employee's unutilised leave balances has been made based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

f) Taxation

Current taxes

Current income-tax expense is recognised in accordance with the provisions of Indian Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT credit is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

g) Leases

Operating Lease

Aggregate of lease rentals payable under the non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are expensed to the Statement of Profit and Loss as computed under the straight line method.

h) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year is recognised in the Statement of Profit and Loss.

Foreign currency denominated assets and liabilities at year end are translated at exchange rates as on that date and the resulting net gain or loss is recognised in the Statement of Profit and Loss.

i) Forward contracts and options in foreign currencies

Forward contracts are entered into to hedge the foreign currency risk. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on maturity, cancellation or renewal of forward contracts is recognised as income or as expense for the year.

The premium on option contract is recognised as an expense over the life of the contract.

j) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
3 SHARE CAPITAL		
Authorised		
50,000,000 (P.Y. 50,000,000) equity shares of Rs. 10 each	500.00	500.00
Issued, Subscribed and Paid - up		
30,176,907 (P.Y. 29,874,585) equity shares of Rs. 10 each	301.77	298.75
	301.77	298.75

	No.	Rupees in million	No.	Rupees in million
a) Reconciliation of paid-up share capital				
Opening at the beginning of the year	2,98,74,585	298.75	2,90,57,534	290.57
Add : Shares allotted during the year on account of exercise of share options by employees	3,39,945	3.40	8,17,051	8.18
Less:Buyback of equity shares	37,623	0.38	-	-
Outstanding at the end of the year	3,01,76,907	301.77	2,98,74,585	298.75

b) Terms / rights 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 shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

- c) The Company has issued 26,107,869 shares (P.Y. 26,107,869) by way of bonus shares by capitalising free reserves during the period of five years immediately preceding the reporting date. The company has bought back 37,623 shares during the current year.

d) Details of Shareholders holding more than 5% of Shares in the Company

Name of the Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	% of Share Capital	No. of Shares held	% of Share Capital
Anjan Malik	79,22,250	26.25	79,22,250	26.52
PD Mundhra	79,17,862	26.24	79,17,862	26.50
Nambe Investment Holdings	27,65,785	9.17	27,65,785	9.26

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014		As at March 31, 2013	
4 RESERVES AND SURPLUS				
General Reserve				
Opening balance	751.53		595.43	
Add: Transfer during the year	246.57	998.10	156.10	751.53
Securities Premium				
Opening balance	761.06		696.02	
Add: On shares issued during the year	82.04		65.04	
Less: On buyback of shares	30.27		-	
Less : Transfer to Capital Redemption Reserve	0.38	812.45		761.06
Stock Option Outstanding				
Opening balance	9.22		5.53	
Add: Transfer during the year	2.16		3.69	
Less: On account of reversals during the year	3.32	8.06	-	9.22
Capital Redemption Reserve Account				
Opening balance	-		-	
Add: Transfer during the year	0.38	0.38	-	-
Net Surplus in the Statement of Profit and Loss	-	3,263.46	-	2,286.91
		5,082.45		3,808.72
Details of appropriations made:				
Profit after tax		2,465.10		1,559.23
Balance brought forward from previous year		2,286.91		1,763.74
Surplus available for appropriation		4,752.01		3,322.97
Less : Appropriations				
Short Provision for Dividend and Dividend Tax		6.29		6.17
Proposed Dividend		1,056.19		746.86
Tax on Proposed Dividend		179.50		126.93
Transfer to General Reserve		246.57		156.10
Balance carried to Balance Sheet		3,263.46		2,286.91

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
5 TRADE PAYABLES		
Payable to Micro, Small and Medium Enterprises (refer note 30)	-	-
Other Trade Payables	319.09	257.54
TOTAL	319.09	257.54
6 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	1.34	1.17
Advance Billing	44.95	38.44
Other Liabilities	29.79	20.97
TOTAL	76.08	60.58
7 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Incentive Payable to employees	152.44	185.61
Provision for Gratuity* (refer note 27)	69.20	64.81
Provision for Leave Encashment	20.23	19.21
TOTAL	241.87	269.63
* Provision for Gratuity is net of fair value of plan assets is Rs. 5.67 million (P.Y. Rs. 2.87 million).		
Others		
Provision for Taxation (Net)	16.80	21.36
Proposed Dividend #	1,056.19	746.86
Dividend Distribution Tax on Proposed Dividend	179.50	126.93
	1,252.49	895.15
TOTAL	1,494.36	1,164.78
# Proposed dividend of Rs. 35 per share (P.Y. Rs. 25 per share)		

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

8 FIXED ASSETS

(Rupees in million)

Assets	Gross Block - At Cost			Accumulated Depreciation / Amortisation				Net Block		
	As on April 1, 2013	Additions during the year	Deduct-ions / Adjust-ments	As on March 31, 2014	As on April 1, 2013	Additions during the year	Deduct-ions / Adjust-ments	As on March 31, 2014	As on March 31, 2014	As on March 31, 2013
Tangible										
Leasehold Improvements	209.83	11.63		221.46	77.65	20.94	(0.01)	98.60	122.86	132.18
Office Equipments	135.05	35.52	0.05	170.52	43.03	19.33	0.02	62.34	108.18	92.02
Computers	524.69	47.24	4.20	567.73	353.70	75.47	3.02	426.15	141.58	170.99
Furniture and Fixtures	59.03	4.77		63.80	27.63	5.77	-	33.40	30.40	31.40
	928.60	99.16	4.25	1,023.51	502.01	121.51	3.03	620.49	403.02	426.59
Intangible										
Computer Software	106.88	20.53	0.18	127.23	80.97	21.77	0.14	102.60	24.63	25.91
	106.88	20.53	0.18	127.23	80.97	21.77	0.14	102.60	24.63	25.91
TOTAL	1,035.48	119.69	4.43	1,150.74	582.98	143.28	3.17	723.09	427.65	452.50

(Rupees in million)

Assets	Gross Block - At Cost			Accumulated Depreciation / Amortisation				Net Block		
	As on April 1, 2012	Additions during the year	Deduct-ions / Adjust-ments	As on March 31, 2013	As on April 1, 2012	Additions during the year	Deduct-ions / Adjust-ments	As on March 31, 2013	As on March 31, 2013	As on March 31, 2012
Tangible										
Leasehold Improvements	151.39	58.44	-	209.83	59.34	18.31	-	77.65	132.18	92.05
Office Equipments	89.03	52.40	6.38	135.05	27.90	16.60	1.47	43.03	92.02	61.13
Computers	469.81	57.50	2.62	524.69	258.62	95.15	0.07	353.70	170.99	211.19
Furniture and Fixtures	57.54	1.49	-	59.03	22.84	4.77	(0.02)	27.63	31.40	34.70
	767.77	169.83	9.00	928.60	368.70	134.83	1.52	502.01	426.59	399.07
Intangible										
Computer Software	86.48	20.40	-	106.88	58.41	22.51	(0.05)	80.97	25.91	28.07
	86.48	20.40	-	106.88	58.41	22.51	(0.05)	80.97	25.91	28.07
TOTAL	854.25	190.23	9.00	1,035.48	427.11	157.34	1.47	582.98	452.50	427.14

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
9 INVESTMENTS		
Non Current Investments (Trade, unquoted) (At cost)		
Investments in Equity Instruments		
Investments in subsidiaries		
100 shares of US \$1 each in eClerx LLC	0.72	0.72
100 shares of GBP 1 each in eClerx Limited	3.31	3.31
5,819,323 (P.Y. 5,819,323) equity shares of GBP 1 each in eClerx Investments Limited	352.40	352.40
7,776,000(P.Y. 11,000,000)Optionally Convertible Redeemable Preference Shares of GBP 1 each in eClerx Investments Limited	642.65	909.09
1 shares of SGD \$1 each in eClerx Private Limited	0.01	0.01
	999.09	1,265.53
Other Non Current Investments (Non Trade, unquoted)		
Investments in Mutual Funds		
Nil (P.Y. 30) units of HDFC Debt Fund Cancer Care - 100% Dividend Donation	-	0.30
	-	0.30
TOTAL	999.09	1,265.83

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Current Investments		
Investments in Mutual Funds		
Nil (P.Y. 16570) units of Kotak Liquid Scheme Plan A	-	20.26
53244 units (P.Y. Nil) units of HDFC Quarterly Interval Fund	60.04	-
Nil(P.Y. 12,548,784) units of Kotak Flexi Debt Sceme Plan A-Direct plan-Daily Div.	-	126.08
11,836,142 (P.Y Nil) units of Kotak Banking & PSU Debt Fund	119.13	-
1,346,085(P.Y. Nil) units of ICICI Prudential Money Market Fund Cash Option	134.80	-
13,938,115(P.Y. Nil) units of ICICI Prudential Ultra Short term Fund-DD	140.86	-
10,000,000(P.Y. Nil) units of IDFC Interval Fund	100.00	-
45,257(P.Y. Nil) units of Reliance Liquidity Fund	45.28	-
71,65,970(P.Y. 35,27,589) units of Reliance Medium Term Fund	122.51	60.31
142,273(P.Y. Nil) units of DSP Black Rock Money Manger Fund - Liquid Plus	142.87	-
5,180,150(P.Y.Nil) units of DWS Ultra Short Term Fund	51.89	-
9,831,493(P.Y. Nil) units of DWS Treasury Fund Cash - IP	100.50	-
53,244(P.Y. Nil) units of Baroda Pioneer	53.28	-
50,291(P.Y. 144,856) units of BOI AXA Treasury advantage fund - Direct Plan	50.32	144.90
TOTAL	1,121.48	351.56
Aggregate value of unquoted investments	999.09	1,265.83
Aggregate value of quoted investments (Market value : Rs. 1,121.48 million (P.Y. Rs. 351.56 million))	1,121.48	351.56

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
10 LOANS AND ADVANCES		
Non Current (Long Term) (Unsecured, considered Good)		
Corporate Premises Rent Deposit	120.36	76.99
Other Deposits	1.95	1.95
Advance tax (Net)	7.93	7.93
Capital Advances	16.90	-
TOTAL	147.14	86.87
Current (Short Term) (Unsecured, considered Good)		
Staff Accommodation Rent Deposit	0.96	1.10
Service Tax Credit	457.06	347.34
Prepaid Expenses	12.48	29.46
Other Advances	13.56	13.05
Interest accrued but not due	34.78	26.76
	518.84	417.71
Current (Short Term) (Unsecured, Considered good)		
Other Advances to related parties (refer note 24(B))	-	30.00
	-	30.00
TOTAL	518.84	447.71
11 TRADE RECEIVABLES (UNSECURED)		
Considered good		
Outstanding for a period exceeding six months	7.72	0.48
Other debts	820.12	564.45
TOTAL	827.84	564.93

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
12 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	0.31	0.75
Balances in Current accounts with banks	1,144.28	883.70
Balance with banks in fixed deposit accounts (maturity less than 3 months)	200.00	160.00
Other Bank Balances		
Balance with banks in fixed deposit accounts (maturity more than 3 months)	867.92	648.50
Fixed deposits pledged with banks against bank guarantees	0.89	0.89
Unpaid Dividend account *	1.34	1.17
Earmarked balances with banks *	10.13	-
TOTAL	2,224.87	1,695.01
* Not available for use by the Company		
13 OTHER CURRENT ASSETS		
Unbilled Revenues	771.56	631.37
Amortised Premium on Forward Contracts	194.69	78.08
TOTAL	966.25	709.45

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
14 OTHER INCOME		
Interest on Income	100.33	61.06
Foreign Exchange (Loss) / Gain	19.05	(295.68)
Dividend Income	38.01	27.77
Profit on Sale of Investments (net)	0.18	0.03
Profit on Sale of Fixed Assets (net)	0.04	-
Miscellaneous Income	0.02	-
TOTAL	157.63	(206.82)

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
15 EMPLOYEE BENEFIT EXPENSES		
Salaries and Bonus	2,112.32	1,768.95
Employee Stock Option Scheme	(1.16)	3.69
Contribution to Provident fund	6.34	5.23
Gratuity (refer note 27)	15.00	24.82
Staff Welfare expenses	19.84	18.29
TOTAL	2,152.34	1,820.98
16 OTHER EXPENSES		
Contract for Services	1,111.00	890.38
Rent (refer note 21)	212.70	197.64
Legal and Professional Fees	51.63	91.80
Electricity	62.80	65.25
Communication Expenses	61.54	47.81
Auditors' remuneration (refer note 18)	2.11	2.11
Office Expenses	42.68	24.60
Rates and Taxes	27.27	13.58
Computer and Server Rental Expenses	57.08	55.09
Printing and Stationery	4.09	3.34
Local Conveyance	37.53	48.62
Donation	11.36	7.27
Housekeeping Services	17.85	20.89
Security Charges	38.08	25.46
Insurance	7.19	5.58
Repairs and Maintenance		
- Building	1.25	0.62
- Others	6.49	3.57
Board Meeting Sitting Fees	0.76	0.70
Provision for Doubtful debts	-	(0.22)
Bad Debts Written off	0.86	-
Advertisement Expenses	1.03	0.45
Traveling Expenses	145.40	105.23
Business Promotion Expenses	2.82	6.90
Loss on Sale of Fixed Assets (net)	-	(0.15)
Miscellaneous Expenses	2.10	1.21
TOTAL	1,905.62	1,617.73

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

17 INVESTMENTS

The Company acquired the entire shareholding of Agilyst Inc ('Agilyst'), a closely held US based Company, through its overseas subsidiary eClerx Investments Limited (EIL) effective May 4, 2012. The consideration towards the acquisition consists of an upfront payment of US\$15.75 million and a variable earn out, based on Agilyst's future performance till September 30, 2013. During the year under review, the Company paid final tranche towards acquisition amounting to US\$3.8 million taking the total cost of acquisition to US\$19.55 million.

18. AUDITORS' REMUNERATION (EXCLUDING SERVICE TAX) HAS BEEN CLASSIFIED AS UNDER

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
Statutory audit	2.05	2.06
Out of Pocket Expenses	0.06	0.05
Others	--	-
TOTAL	2.11	2.11

19. SEGMENT REPORTING

The Company operates under a single primary segment i.e. data analytics and process outsourcing services.

Details of secondary segments i.e. geographical segments are as under:

(Rupees in million)

Operational Revenues	Year ended March 31, 2014	Year ended March 31, 2013
United States of America	5,073.19	4,121.60
United Kingdom	309.31	217.84
Europe	1,358.25	1,005.10
Asia Pacific	393.09	364.67
Total Revenues	7,133.84	5,709.21

(Rupees in million)

Segment	Segment-wise Assets		Segment-wise Liabilities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
United States of America	1,078.31	835.86	76.25	63.22
United Kingdom	1,103.45	1,313.84	80.65	56.72
Europe	319.96	214.41	10.06	6.87
Asia Pacific	4,735.36	3,204.98	468.75	459.77
Unallocated	36.67	21.28	1,253.82	896.32
TOTAL	7,273.75	5,590.37	1,889.53	1,482.90

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

Segment-wise Addition to Fixed assets	As at March 31, 2014	As at March 31, 2013
United States of America	-	-
United Kingdom	-	-
Europe	-	-
Asia Pacific	119.69	190.23
TOTAL	119.69	190.23

20. DEFERRED TAX BALANCES

The components of deferred tax assets arising on account of timing differences between taxable income and accounting income are as follows:

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Deferred Tax Assets		
Depreciation	4.71	1.99
Provision for gratuity	11.17	6.31
Provision for compensated absences	3.27	1.87
Provision for lease equalization	9.60	3.18
TOTAL	28.75	13.35

21. OPERATING LEASES

The Company has various operating leases for office facilities and residential premises for employees which include leases that are renewable on a yearly basis, cancellable at its option and other long term leases.

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Lease payments recognised in the Statement of Profit and Loss	212.70	197.64
Future minimum lease payments for non-cancellable operating leases		
Not Later than one year	51.60	57.40
Later than one year, but not later than five years	46.99	24.75
Later than five years	-	-

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

22. COMMITMENTS

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	59.75	1.11

23. EMPLOYEES STOCK OPTION PLAN (ESOP)

ESOP 2005 scheme:

The Company instituted ESOP 2005 scheme under which 750,000 stock options have been allocated for grant to the employees. The scheme was approved by our shareholders at the Extra Ordinary General Meeting held on November 16, 2005.

	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	-	-	56,501	106.67
Exercised	-	-	56,501	106.67
Balance as at the end of the year	-	-	-	-

ESOP 2008 scheme:

The Company instituted ESOP 2008 scheme under which 1,000,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders by way of postal ballot, the result of which was declared on May 19, 2008. The Scheme was subsequently amended to increase the number of options to 1,600,000 stock options vide resolution passed at Ninth Annual General Meeting held on August 26, 2009. Pursuant to bonus issue by the Company on July 29, 2010, the number of options available under the scheme accordingly increased to 2,400,000 pursuant to relevant SEBI regulations.

The details of options granted, forfeited and exercised under the aforementioned schemes are given below:

	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	1,009,725	464.99	1,882,775	337.94
Forfeited / cancelled	90,300	642.24	112,500	620.87
Exercised	335,445	244.77	760,550	88.35
Balance as at the end of the year	583,980	564.07	1,009,725	464.99

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

ESOP 2011 scheme:

The Company instituted ESOP 2011 scheme under which 1,600,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders at the Eleventh Annual General Meeting held on August 24, 2011. The Scheme was subsequently amended to increase the number of options to 2,600,000 stock options vide resolution passed at Thirteenth Annual General Meeting held on August 22, 2013.

	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	545,001	740.44	-	-
Granted during the year	624,658	618.55	633,083	740.44
Forfeited / cancelled	145,331	685.44	88,082	740.44
Exercised	4,500	740.44	-	-
Balance as at the end of the year	1,019,828	673.62	545,001	740.44

Proforma accounting for stock options granted

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share (EPS) as reported would have been as per the proforma amounts as indicated herein below:

(Rupees in million, except per share data)

	Year ended March 31, 2014	Year ended March 31, 2013
Net Profit after tax as reported	2,465.10	1,559.23
Add - Intrinsic Value Cost	2.16	3.69
Less - Fair Value Cost	100.38	118.93
Adjusted proforma Net Profit	2,363.56	1,443.99
Basic EPS as reported	82.09	53.00
Proforma Basic EPS	78.71	49.09
Diluted EPS as reported	79.85	51.72
Proforma Diluted EPS	76.56	47.90

The fair value of each option is estimated on the grant date based on the following assumptions:

ESOP 2005

Date of grant	August 30, 2007	July 1, 2007	April 1, 2007	April 1, 2007	April 1, 2007	July 1, 2006	July 1, 2006	April 1, 2006	October 1, 2005
Expected Volatility	59%	55%	63%	55%	56%	58%	57%	58%	56%
Risk Free Interest Rate	7.68%	7.54%	7.96%	7.92%	7.92%	6.69%	6.52%	7.18%	6.58%
Time to maturity (in years)	4.09	4.25	2.00	3.50	4.00	4.25	2.75	4.50	3.50
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

ESOP 2008

Date of grant	May 18, 2011	July 30, 2010	May 25, 2010	April 27, 2009	January 19, 2009	January 19, 2009	May 26, 2008
Expected Volatility	55%	59%	60%	67%	70%	72%	62%
Risk Free Interest Rate	8.30%	7.51%	6.96%	5.86%	5.81%	5.70%	7.78%
Time to maturity (in years)	4.37	4.17	4.35	4.43	4.70	3.70	4.35
Dividend Yield	3.20%	2.81%	2.81%	2.72%	0.00%	1.19%	0.00%

ESOP 2011

Date of grant	May 18, 2012	May 24, 2013
Expected Volatility	49.10%	37.48%
Risk Free Interest Rate	8.31%	7.26%
Time to maturity (in years)	4.45	4.36
Dividend Yield	2.32%	4.04%

24. RELATED PARTY INFORMATION

As per Accounting Standard 18 – Related Party Transactions, as notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Company's related parties and transactions with them are enumerated below:

A. Related Parties

- (a) Where control exists:
 1. eClerx Limited (wholly owned subsidiary)
 2. eClerx LLC (wholly owned subsidiary)
 3. eClerx Investments Limited (wholly owned subsidiary)
 4. eClerx Private Limited (wholly owned subsidiary)
 5. Agilyst Inc (100% subsidiary of eClerx Investments Limited)
 6. Agilyst Consulting Private Limited (100% subsidiary of Agilyst Inc.)
- (b) Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:
 1. Duncan Stratton & Company Limited
- (c) Key Management Personnel:
 1. V.K. Mundhra (Chairman)
 2. PD Mundhra (Executive Director)
 3. Anjan Malik (Director)

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

B. Details of Related Party Transactions

The Company has identified the following related party transactions in accordance with the requirement under AS 18, as notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013:

(Rupees in million)

Sr. No.	Name	Nature of Transaction	Relationship	Transactions during the year		Outstanding Balance as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	eClerx Limited	Contract for Services	Wholly owned subsidiary	411.05	354.51	68.68 Payable	56.72 Payable
		Expenses incurred by holding Company on behalf of subsidiary		3.13	5.27		
2	eClerx LLC	Contract for Services	Wholly owned subsidiary	626.19	470.99	60.64 Payable	33.72 Payable
		Expenses incurred by holding Company on behalf of subsidiary		0.25	6.40		
3	eClerx Investments Limited	Expenses incurred on behalf of subsidiary	Wholly owned Subsidiary	--	0.07	--	--
		Redemption of Optionally Convertible Redeemable Preference Shares		129.09	--		
4	Anjan Malik	Dividend	Director	198.06	138.64	--	--
5	PD Mundhra	Remuneration	Executive Director	23.12	21.28	--	--
		Dividend	Director	197.95	138.56		
6	V.K. Mundhra	Dividend	Director	0.81	0.57	--	--
7	Duncan Stratton & Company Limited	Rent	Common Director	0.03	0.03	--	--
8	eClerx Private Limited	Contract for Services	Wholly owned Subsidiary	73.76	64.88	19.09 Payable	14.65 Payable
		Expenses incurred by holding Company on behalf of subsidiary		0.24	0.78		
9	Agilyst Inc.	Expenses incurred by the Company on behalf of subsidiary	Subsidiary	--	0.08	--	--

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

Sr. No.	Name	Nature of Transaction	Relationship	Transactions during the year		Outstanding Balance as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
10.	Agilyst Consulting Private Limited	Loan Given	Subsidiary	--	30.00	--	30.00 Receivable
		Loan Repaid		30.00	--	--	--
		Interest on loan		3.49	3.94	--	--
		Expenses incurred by the Company on behalf of subsidiary		6.81	14.17	--	--
		Sale of Fixed Assets		0.15	7.91	--	7.91 Receivable
		Purchase of Assets		0.41	--	--	--
		Expenses incurred by the subsidiary on behalf of the company		9.04	--	--	--
		Expenses incurred by the Company		11.23	--	--	--

25. DISCLOSURE PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

Amount of loans and advances in nature of loans outstanding from subsidiary for the year ended March 31, 2014:

(Rupees in million)

Subsidiary Company	Outstanding as on March 31, 2014	Maximum amount outstanding during the year ended March 31, 2014	Outstanding as on March 31, 2013	Maximum amount outstanding during the year ended March 31, 2013
Agilyst Consulting Private Limited	--	30.00	30.00	30.00

26. EARNINGS PER SHARE

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

		Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax attributable to shareholders (Rupees in million)	A	2,465.10	1,559.23
Weighted average number of equity shares outstanding during the year.			
- Basic	B	30,027,795	29,417,374
- Diluted	C	30,871,247	30,147,349
Earnings per share (Rs.)			
- Basic	A/B	82.09	53.00
- Diluted	A/C	79.85	51.72
Nominal value of shares (Rs.)		10	10

27. EMPLOYEE BENEFIT PLANS

The Company makes annual contribution to the Employee's Group Gratuity Assurance Scheme of the Life Insurance Corporation of India (LIC). The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment based on completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan for the year ended March 31, 2014 as required under AS 15 (Revised) as notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Change in Defined Benefit Obligation		
Opening in Defined Benefit Obligation	67.68	48.82
Interest cost	5.41	4.15
Current service cost	21.43	18.43
Benefits paid by the employer	(0.61)	(6.13)
Benefits paid by the fund	(7.66)	--
Actuarial (gain) / loss	(11.38)	2.41
Closing defined benefit obligation	74.87	67.68

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

Change in fair value of assets	As at March 31, 2014	As at March 31, 2013
Opening fair value of assets	2.87	1.83
Expected Return on plan assets	0.25	0.16
Contribution by employer	10.00	7.00
Benefits paid from the fund	(7.66)	(6.13)
Actuarial gain	0.21	0.01
Closing fair value of plan assets	5.67	2.87
Liability as per Balance Sheet (refer note 7)	69.20	64.81

(Rupees in million)

Expense for the year	Year ended March 31, 2014	Year ended March 31, 2013
Current service cost	21.43	18.43
Interest cost	5.41	4.15
Expected Return on plan assets	(0.25)	(0.16)
Actuarial (gain) / loss	(11.59)	2.40
Total included in employment expenses	15.00	24.82

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
Actual return on plan assets	9%	9%
Financial assumptions at valuation date		
Discount rate	9.32%	8%
Rate of increase in compensation levels of covered employees	5%	5%
Expected rate of return on plan assets	9%	9%

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

28. FORWARD CONTRACTS AND OPTIONS IN FOREIGN CURRENCIES

The Company is exposed to foreign currency fluctuations on assets / liabilities denominated in foreign currency. The use of forward contracts to hedge foreign currency risk is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Foreign Exchange Risk Management Policy. The counter- parties in these instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. The Company does not use forward contracts and currency options for speculative purposes.

As at March 31, 2014				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward	2014 – 15	USD	\$ 56.75	63.91
		Euro	€ 7.80	80.68
	2015 – 16	USD	\$ 17.33	69.11
		Euro	€ 2.40	95.27

As at March 31, 2013				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward	2013 – 14	USD	\$ 42.75	54.86
		Euro	€ 7.55	72.23
	2014 – 15	USD	\$ 12.00	59.60
		Euro	€ 1.20	78.38
Put Option	2013 – 14	USD	\$ 2.00	52.50

As on the Balance Sheet date, the Company's net foreign currency exposure that is not hedged is Rs. 3,018.60 million (P.Y. Rs. 1,264.68 million).

29. The Company has deferred the recognition of cumulative Minimum Alternate Tax (MAT) credit of Rs.266.23 million as at March 31, 2014 (P.Y. Rs. 245.50 million), which could be available for set off against future tax liability under the provisions of the Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.

30. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

Based on the information available with the Company, there are no dues payable to micro, small and medium enterprises as defined in The Micro, Small & Medium Enterprises Development Act, 2006.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

31. CONTINGENT LIABILITIES

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Guarantees given by the Company on behalf of various subsidiaries against credit facilities (refer note (a))	2.6	2.6
Income Tax demands (refer note (b))	13.29	13.29
Indirect Tax demands	7.44	7.44

Notes:

- These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.
- The company has received favorable orders from Commissioner of Income Tax (Appeals) against the demand raised by the Assessing officers amounting to Rs. 13.29 million for Financial Year 2004-05 and Financial Year 2006-07. The department has preferred appeal to High Court for Financial Year 2007-08 and filed Special Leave Petition with Supreme Court for Financial Year 2006-07.
- Service Tax refund claims filed by the company from October 2009 till March 2012 for Rs. 241.51 million was rejected by the Jurisdictional Service Tax authorities. Company has preferred appeal to the Commissioner of Central Excise(Appeals).

The amounts represent best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against each of such disputes. Hence no provision has been made in the financial statements for these disputes.

32. SUPPLEMENTARY STATUTORY INFORMATION.

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
CIF value of imports:		
Capital Goods	67.00	74.08
Expenditure in foreign currency:		
Travelling expenses	97.53	52.07
Marketing and other expenses	1,086.64	956.46
Server rental expenses	1.71	10.74

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
Earnings in foreign exchange:		
Income from services	7,092.55	5,606.72
Remittance in foreign currency on account of dividend		
Dividend for the year		
2012-13	365.63	--
2011-12	--	242.94
Number of non-resident shareholders for the year		
2012-13	358	--
2011-12	--	364
Shares held by non-resident shareholders on which dividend was due for the year *		
2012-13	14,625,130	--
2011-12	--	13,882,236

*The Company does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividends have been made by/on behalf of non-resident shareholders. The particulars given are for dividends declared and paid to non-resident shareholders for the year 2011-12 and 2012-13.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

- 33.** The Company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises are undertaken, during the financial year, on an “arms length basis”. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arms’ length so that the aforesaid legislation will not have any impact on the financial statements.
- 34.** Previous year figures have been regrouped, wherever necessary to conform with the current year’s presentation.

As per our report of even date

For **Walker Chandiook & Co LLP**

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Independent Auditors' Report

To The Board of Directors of eClerx Services Limited

1. We have audited the accompanying consolidated financial statement of eClerx Services Limited, ('the Company') and its subsidiaries, (hereinafter collectively referred to as the 'Group') which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in con-formity with the accounting principles generally accepted in India:
 - i) in the case of consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - ii) in the case of consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Walker Chandiok & Co LLP**
(formerly known as Walker, Chandiok & Co)
 Chartered Accountants
 Firm Registration No: 001076N

per **Khushroo B. Panthaky**
 Partner
 Membership No.F-42423

Place: Mumbai
 Date: May 20, 2014

Consolidated Balance Sheet

as at March 31, 2014

(Rupees in million)

	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	301.77	298.75
Reserves and Surplus	4	5,587.75	4,084.53
		5,889.52	4,383.28
Non Current Liabilities			
Deferred Tax Liability (net) (Refer Note 22)		18.75	9.93
		18.75	9.93
Current Liabilities			
Trade Payables	5	259.21	225.43
Other Current Liabilities	6	84.28	67.68
Short-term Provisions	7	1,661.99	1,335.05
		2,005.48	1,628.16
TOTAL		7,913.75	6,021.37
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	8	558.04	552.98
Intangible Assets	8	989.62	794.91
Capital work in Progress		11.84	7.34
Non-current Investments	9	-	0.30
Deferred Tax Assets (net) (Refer Note 22)		37.06	22.70
Long-term Loans and Advances	10	179.19	121.83
		1,775.75	1,500.06
Current Assets			
Current Investments	9	1,154.79	351.56
Trade Receivables	11	996.28	654.77
Cash and Bank Balances	12	2,405.57	2,348.53
Short-term Loans and Advances	10	573.30	451.48
Other Current Assets	13	1,008.06	714.97
		6,138.00	4,521.31
TOTAL		7,913.75	6,021.37
Notes 1 to 32 form an integral part of these financial statements			

As per our report of even date

For **Walker Chandiook & Co LLP**

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2014

	Note	Year ended March 31, 2014	Year ended March 31, 2013
(Rupees in million)			
Income			
Revenue from Operations		8,409.94	6,605.34
Other Income (net)	14	110.20	(181.78)
		8,520.14	6,423.56
Expenditure			
Employee Benefit Expense	15	3,579.92	2,952.88
Other Expenses	16	1,294.24	1,105.93
Depreciation and Amortisation Expense	8	330.28	255.36
		5,204.44	4,314.17
Profit before taxes		3,315.70	2,109.39
Tax Expense			
- Current Tax		764.39	403.80
- Deferred Tax		(5.25)	(10.43)
		759.14	393.37
Profit After Tax		2,556.56	1,716.02
Earnings per share (refer note 27)			
Earning per share (in Rs.)			
- Basic		85.14	58.33
- Diluted		82.81	56.92
Notes 1 to 32 form an integral part of these financial statements			

As per our report of even date

For **Walker Chandiok & Co LLP***(formerly known as Walker, Chandiok & Co)*

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Exceptional Items	3,315.70	2,109.39
Adjustments for :		
Depreciation	203.18	180.20
Goodwill Amortisation	127.10	75.16
Stock Options Outstanding	(1.16)	3.69
Profit on Sale of Investments	(0.18)	(0.03)
Loss on Sale of assets	(0.05)	1.70
Provision for Doubtful debts	-	(0.22)
Bad Debts Written off	0.86	-
Dividend Income	(39.64)	(27.77)
Interest Income	(97.94)	(57.97)
Operating Profit Before Working Capital Changes	3,507.87	2,284.15
Adjustments for :		
Trade Receivables	(342.37)	(232.71)
Long-term Loans and Advances	(63.77)	(17.84)
Short-term Loans and Advances	(116.49)	(139.10)
Other Current Assets	(293.09)	(79.34)
Trade Payables	33.78	64.57
Other Current Liabilities	16.60	17.07
Short term Provision	(25.64)	39.29
Cash Generated by Operating Activities	2,716.89	1,936.09
Income Taxes paid (net of refunds)	(767.29)	(403.23)
Net Cash Generated by Operating Activities	1,949.60	1,532.86
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Investments	2,682.85	4,219.23
Purchase of Current Investments	(3,485.60)	(3,571.92)
Payment for acquisition of business, net of cash acquired	(233.90)	(814.45)
Sale of Fixed Assets	3.10	0.09
Purchase of Fixed Assets (including Capital work in progress)	(215.45)	(267.25)
Interest received	92.60	57.97
Dividend received	39.64	27.77
Net Cash used in Investing Activities	(1,116.76)	(348.56)

Consolidated Cash Flow Statement

for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity issued	85.44	70.40
Buyback of equity share capital	(30.65)	-
Dividend Paid	(753.16)	(513.82)
Dividend Tax Paid	(120.64)	(77.19)
Short Provision for Dividend & Dividend Tax	(6.29)	(6.16)
Net Cash used in Financing Activities	(825.30)	(526.77)
Effect of Exchange fluctuation on Cash and Cash Equivalents	49.50	4.39
Net (Decrease) / Increase in Cash and cash equivalents	57.04	661.92
Cash and Cash Equivalents at the beginning of the year	2,348.53	1,686.61
Cash and Cash Equivalents at the end of the year (refer note 12)	2,405.57	2,348.53

As per our report of even date

For **Walker Chandiok & Co LLP***(formerly known as Walker, Chandiok & Co)*

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

1. a) Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting are in accordance with the applicable requirements of the Companies Act, 1956 (the 'Act') and comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

b) Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of financial statements are prudent and reasonable. Actual future period's results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The Consolidated Financials Statements (CFS) relates to eClerx Services Limited and its subsidiaries. The CFS have been prepared on the following basis:

- i) The financial statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of the items like assets, liabilities, income and expenses.
- ii) The CFS have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. The impact of change in accounting policies, if not material has been ignored.
- iii) The excess/deficit, as on the date of acquisition, of the Company's investment cost over the subsidiaries network is recognised as goodwill/capital reserve.
- iv) In case of the foreign subsidiaries, the revenue items are consolidated using "average exchange rate" prevailing during the period. All the assets and liabilities as at the Balance Sheet date are converted at the rate of exchange prevailing at the end of the year.
- v) CFS are prepared by fully eliminating intra-group balances, intra group transactions and unrealised profits from intra-group transactions

b) Revenue recognition

Revenue from time and material and unit priced contracts are recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract. Unbilled revenues included in other current assets represent cost and earnings in excess of billings as at the Balance Sheet date.

Advance billing included in other current liabilities represent billing in excess of revenue recognised.

Revenue is recognised net of rebate. The rebate is accrued evenly based on the probability of achievement of the specified level of sales.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when Company's right to receive dividend is established.

c) Fixed assets, depreciation and amortisation

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation / amortisation. Fixed assets under construction, advances paid towards acquisition of fixed assets are disclosed as Capital Advances under Loans and Advances and cost of assets not ready for use before the year-end, are disclosed as capital work in progress.

Depreciation on fixed assets is provided under Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. Leasehold improvements are amortised over the remaining primary period of lease. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis which generally do not exceed ten years. Assets costing less than Rs. 5,000 are depreciated over a period of one year from date of acquisition.

d) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value. Non-current investments are carried at cost and provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

Profit or loss on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the carrying value of the investment.

e) Impairment of Assets

In accordance with AS 28 'Impairment of Assets' notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the carrying amounts of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the Statement of Profit and Loss or against revaluation surplus where applicable.

f) Employee benefits

India

Provident Fund

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company's contributions are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations under these plans beyond its monthly contributions.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

Gratuity

The Company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year, based upon which the Company contributes to the scheme with LIC. The Company also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the Balance Sheet date.

Compensated Absences

The employees are entitled to leave encashment. Provision for the liability of employee's unutilised leave balances has been made based on an actuarial valuation carried out by an independent actuary as at the Balance Sheet date.

Subsidiary in United States of America

The Company has a saving and investment plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to the Statement of Profit and Loss in the period in which they accrue.

Subsidiary in Singapore

Central Provident Fund

As required by law, the Company contributes to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore in respect of eligible employees. The Company's contributions are charged to the Statement of Profit and Loss on accrual basis.

g) Taxation

Current taxes

Current income tax expense comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT credit is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred taxes

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

h) Leases

Operating Lease

Aggregate of lease rentals payable under the non-cancellable operating lease arrangements (over the initial and subsequent periods of lease) are expensed to the Statement of Profit and Loss as computed under the straight line method.

i) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year is recognised in the Statement of Profit and Loss.

Foreign currency denominated assets and liabilities at year end are translated at exchange rates as on that date and the resulting net gain or loss is recognised in the Statement of Profit and Loss.

In respect of non-integral foreign operations, both monetary and non-monetary assets and liabilities are translated at exchange rate prevailing at the date of Balance Sheet while income and expense are translated at average rate for the period. The resulting exchange differences are accumulated in Foreign Currency Translation Reserve.

j) Forward contracts and options in foreign currencies

Forward contracts are entered into to hedge the foreign currency risk. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expense over the life of the contract. Any profit or loss arising on maturity, cancellation or renewal of forward contracts is recognised as income or as expense for the year.

The premium on option contract is recognised as an expense over the life of the contract.

k) Provisions and contingencies

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
3 SHARE CAPITAL		
Authorised		
50,000,000 (P.Y. 50,000,000) equity shares of Rs. 10 each	500.00	500.00
Issued, Subscribed and Paid - up		
30,176,907 (P.Y. 29,874,585) equity shares of Rs. 10 each	301.77	298.75
	301.77	298.75

	No.	Rupees in million	No.	Rupees in million
a) Reconciliation of Paid - up Share Capital				
Opening at the beginning of the year	2,98,74,585	298.75	2,90,57,534	290.57
Add : Shares allotted during the year on account of exercise of share options by employees	3,39,945	3.40	8,17,051	8.18
Less: Buyback of equity shares	37,623	0.38		
Outstanding at the end of the year	3,01,76,907	301.77	2,98,74,585	298.75

b) Terms / rights 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 shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

- c) The Company has issued 26,107,869 shares (P.Y. 26,107,869) by way of bonus shares by capitalising free reserves during the period of five years immediately preceding the reporting date. The Company has bought back 37,623 shares during the current year.

d) Details of Shareholders holding more than 5% of Shares in the Company

Name of the Shareholder	March 31, 2014		March 31, 2013	
	No. of Shares held	% of Share Capital	No. of Shares held	% of Share Capital
Anjan Malik	79,22,250	26.25	79,22,250	26.52
PD Mundhra	79,17,862	26.24	79,17,862	26.50
Nambe Investment Holdings	27,65,785	9.16	27,65,785	9.26

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
4 RESERVES AND SURPLUS		
General Reserve		
Opening balance	752.24	596.14
Add: Transfer during the year	246.57	156.10
	998.81	752.24
Capital Redemption Reserve		
Opening balance		
Add: Transfer during the year	0.38	-
	0.38	-
Securities Premium		
Opening balance	761.06	696.02
Add: On shares issued during the year	82.04	65.04
Less: On buyback of shares	30.27	-
Less : Transfer to Capital Redemption Reserve	0.38	-
	812.45	761.06
Stock Option Outstanding		
Opening balance	9.22	5.53
Add: Transfer during the year	(1.16)	3.69
	8.06	9.22
Net Surplus in the Statement of Profit and Loss	3,600.03	2,532.02
Foreign Currency Translation Reserve	168.02	29.99
	5,587.75	4,084.53
Details of appropriations made:		
Profit after tax	2,556.56	1,716.02
Balance brought forward from previous year	2,532.02	1,852.06
Profit available for appropriation	5,088.58	3,568.08
Less : Appropriations		
Short Provision for Dividend and Dividend Tax	6.29	6.17
Proposed Dividend	1,056.19	746.86
Tax on Proposed Dividend	179.50	126.93
Transfer to General Reserve	246.57	156.10
Balance carried to Balance Sheet	3,600.03	2,532.02

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
5 TRADE PAYABLES		
Payable to Small, Micro and Medium Enterprises	-	-
Other Trade Payables	259.21	225.43
	259.21	225.43
6 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	1.34	1.17
Advance Billing	45.36	39.22
Other Liabilities	37.58	27.29
	84.28	67.68
7 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Incentive Payable to employees	302.37	334.60
Provision for Gratuity*	79.73	75.26
Provision for Leave Encashment	23.30	21.18
	405.40	431.04
* Provision for Gratuity is net of fair value of plan assets is Rs. 6.00 million (P.Y. Rs. 2.87 million).		
Other		
Provision for Taxation (Net)	20.90	30.22
Proposed Dividend #	1,056.19	746.86
Dividend Distribution Tax on Proposed Dividend	179.50	126.93
	1,256.59	904.01
TOTAL	1,661.99	1,335.05
# Proposed dividend of Rs. 35 per share (P.Y. Rs. 25 per share)		

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

8 FIXED ASSETS

(Rupees in million)

Assets	Gross Block - at cost				Accumulated Depreciation / Amortisation				Net Block		
	As on April 1, 2013	Additions during the year	Deduct-ions / Adjust-ments	Transla-tion Exchange Difference	As on March 31, 2013	As on April 1, 2013	Additions during the year	Deduct-ions / Adjust-ments	Transla-tion Exchange Difference	As on March 31, 2014	As on March 31, 2013
Tangible											
Leasehold Improvements	249.32	16.44	1.09	4.69	269.36	80.33	26.88	(5.88)	0.59	113.68	155.68
Office Equipments	163.53	63.66	(6.20)	2.07	235.46	48.94	26.09	0.76	0.22	74.49	160.97
Computers	608.68	84.55	4.65	2.65	691.23	378.04	107.20	0.67	1.43	486.00	205.23
Furniture and Fixtures	72.15	6.67	(0.05)	0.66	79.53	33.39	10.71	0.82	0.09	43.37	36.16
	1,093.68	- 171.32	(0.51)	10.07	1,275.58	540.70	- 170.88	(3.63)	2.33	717.54	552.98
Intangible											
Goodwill	834.57	233.90	4.24	84.99	1,149.22	80.95	127.10	0.19	0.19	208.24	940.98
Computer Software	135.66	39.63	0.18	-	175.11	94.37	32.30	0.20	-	126.47	48.64
	970.23	- 273.53	4.42	84.99	1,324.33	175.32	- 159.40	0.20	0.19	334.71	989.62
TOTAL	2,063.91	- 444.85	3.91	95.06	2,599.91	716.02	- 330.28	(3.43)	2.52	1,052.25	1,347.89
Assets	Gross Block - at cost				Accumulated Depreciation / Amortisation				Net Block		
As on April 1, 2012	Additions during the year	Deduct-ions / Adjust-ments	Transla-tion Exchange Difference	As on March 31, 2013	As on April 1, 2012	Additions during the year	Deduct-ions / Adjust-ments	Transla-tion Exchange Difference	As on March 31, 2013	As on March 31, 2012	
Tangible											
Leasehold Improvements	155.79	1.88	94.94	3.38	0.09	249.32	61.39	0.21	20.39	1.62	(0.04)
Office Equipments	93.45	4.66	71.60	6.45	0.27	163.53	29.25	2.53	18.59	1.50	0.07
Computers	485.25	18.66	106.58	2.62	0.81	608.68	264.06	5.90	107.91	0.06	0.23
Furniture and Fixtures	59.63	4.57	7.93	-	0.02	72.15	23.76	4.41	5.22	(0.02)	(0.02)
	794.12	29.77	281.05	12.45	1.19	1,093.68	378.46	13.05	152.11	3.16	0.24
Intangible											
Goodwill	-	-	845.10	-	(10.53)	834.57	-	75.16	-	5.79	80.95
Computer Software	86.48	17.69	31.49	-	-	135.66	58.41	7.82	28.09	(0.05)	-
	86.48	17.69	876.59	-	(10.53)	970.23	58.41	7.82	103.25	(0.05)	5.79
TOTAL	880.60	47.46	1,157.64	12.45	(9.34)	2,063.91	436.87	20.87	255.36	3.11	6.03
											716.02
											1,347.89

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
9 INVESTMENTS		
Non Current Investments (Trade, unquoted) (At cost)		
Investments in Mutual Funds		
Nil (P.Y.: 30) units of HDFC Debt Fund Cancer Care - 100% Dividend Donation	-	0.30
	-	0.30
Current Investments		
Investments in Mutual Funds		
53,244 units (P.Y. Nil) units of HDFC Quarterly Interval Fund	60.04	-
11,836,142 (P.Y Nil) units of Kotak Banking & PSU Debt Fund	119.13	-
1,346,085 (P.Y. Nil) units of ICICI Prudential Money Market Fund Cash Option	134.80	-
13,938,115 (P.Y. Nil) units of ICICI Prudential Ultra Short term Fund-DD	140.86	-
10,000,000 (P.Y. Nil) units of IDFC Interval Fund	100.00	-
Nil (P.Y.16,570) units of Kotak Liquid Scheme A - Daily Dividend	-	20.26
Nil (P.Y.12,548,784) Kotak Flexi Debt Scheme Plan A-Direct plan-Daily Div.	-	126.08
7,165,970 (P.Y. 3,527,589) units of Reliance Medium Term Fund	122.51	60.31
50,291 (P.Y. 144,856) units of BOI AXA Treasury Advantage Fund Direct Plan - DD	50.32	144.91
45,257 (P.Y. Nil) units of Reliance Liquid Fund - Daily Dividend	45.28	-
142,273 (P.Y. Nil) units of DSP Black Rock Money Manger Fund - Liquid Plus	142.87	-
5,180,150 (P.Y.Nil) units of DWS Ultra Short Term Fund	51.89	-
9,831,493 (P.Y. Nil) units of DWS Treasury Fund Cash - IP	100.50	-
53,244 (P.Y. Nil) units of Baroda Pioneer	53.28	-
151,417 (P.Y. Nil) units of Birla Sun Life Cash Plus-DD	15.17	-
130,927 (P.Y. Nil) units of ICICI Prudential Liquid Plan-DD	13.11	-
4,932 (P.Y. Nil) units of UTI Money Market Institutional Plan-DD	5.03	-
	1,154.79	351.56
Aggregate value of unquoted investments	-	0.30
Aggregate value of quoted investments (Market value : Rs. 1,154.79 million (P.Y. Rs. 351.56 million))	1,154.79	351.56

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
10 LOANS AND ADVANCES		
Non Current (Long Term) (Unsecured, considered Good)		
Corporate Premises Rent Deposit	142.21	97.53
Other Deposits	4.58	2.38
Advance tax (Net)	15.50	21.92
Capital Advances	16.90	-
	179.19	121.83
Current (Short Term) (Unsecured, Considered good)		
Staff Accommodation Rent Deposit	1.39	1.10
Corporate Premises Rent Deposit	0.87	0.56
Prepaid Expenses	40.06	14.08
Service Tax and Other Tax Credits	475.80	355.49
Other Advances	20.40	50.81
Interest Accrued but Not Due	34.78	29.44
	573.30	451.48
11 TRADE RECEIVABLES (UNSECURED)		
Considered good		
Debts outstanding for period exceeding six months	7.72	0.48
Other debts	988.56	654.29
	996.28	654.77
12 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in Hand	0.32	0.75
Balances in Current accounts with banks	1,162.38	894.29
Balances with Non Scheduled Banks in foreign currencies	154.41	107.78
Balance with banks in fixed deposit accounts (maturity less than 3 months)	205.88	205.41
Other Bank Balances		
Balance with banks in fixed deposit accounts (maturity more than 3 months)	868.58	649.26
Earmarked balances with banks *	11.77	488.98
Fixed deposits pledged with banks against bank guarantees	0.89	0.89
Unpaid Dividend account *	1.34	1.17
	2,405.57	2,348.53
* Not available for use by the Company		
13 OTHER CURRENT ASSETS		
Unbilled Revenues	811.43	636.89
Amortised Premium on Forward Contracts	196.63	78.08
	1,008.06	714.97

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
14 OTHER INCOME		
Interest on fixed deposit	97.94	57.97
Dividend Income	39.64	27.77
Profit on Sale of Investments (net)	0.18	0.03
Profit on Sale of Fixed Assets (net)	0.05	-
Other Income	3.79	0.21
Foreign exchange (loss) / gain	(31.40)	(267.76)
	110.20	(181.78)
15 EMPLOYEE BENEFIT EXPENSES		
Salaries and Bonus	3,520.66	2,897.94
Employee Stock Option Scheme	(1.16)	(0.56)
Contribution to Provident fund and other employee benefits	19.32	12.39
Gratuity	15.49	24.82
Staff Welfare expenses	25.61	18.29
	3,579.92	2,952.88
16 OTHER EXPENSES		
Rent (Refer Note 23)	310.67	261.44
Legal and Professional fees	146.67	165.16
Electricity	73.47	70.66
Communication expenses	106.89	79.17
Auditors' remuneration (Refer Note 20)	4.42	4.44
Office Expenses	50.73	31.48
Rates and Taxes	31.37	23.50
Computer and Server rental expenses	80.57	65.81
Printing and Stationery	6.83	5.44
Local Conveyance	45.76	61.21
Donation	14.36	8.50
Housekeeping Services	20.05	23.26
Security charges	41.16	26.89
Insurance	9.98	7.97
Repairs and Maintenance		
- Building	2.48	1.63
- Others	7.61	4.47
Board Meeting Sitting Fees	0.76	0.70
Provision for Doubtful debts	-	(0.22)
Bad Debts Written off	0.86	-
Loss on sale of Fixed Assets (Net)	-	1.70
Advertisement expenses	6.16	6.87
Traveling expenses	275.37	199.06
Business Promotion expenses	55.13	54.21
Miscellaneous expenses	2.94	2.58
	1,294.24	1,105.93

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

17. INVESTMENTS

The Company acquired the entire shareholding of Agilyst Inc ('Agilyst'), a closely held US based Company, through its overseas subsidiary eClerx Investments Limited (EIL) effective May 4, 2012. The consideration towards the acquisition consists of an upfront payment of US\$15.75 million and a variable earn out, based on Agilyst's future performance till September 30, 2013. During the year under review, the Company paid final tranche towards acquisition amounting to US\$3.8 million taking the total cost of acquisition to US\$19.55 million.

18. The Company, in its consolidated financial statements has recognised the difference between the purchase consideration and book value of net assets acquired as "goodwill" under Accounting Standard 21. This goodwill will be amortised over its estimated useful life and tested for impairment annually. Accordingly, an amount of Rs. 127.10 million has been amortised for the year ended March 31, 2014.
19. CFS as at March 31, 2014 comprise the financial statements of eClerx Services Limited and its subsidiaries as below:

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power
1	eClerx Limited	United Kingdom	100%
2	eClerx LLC	United States of America	100%
3	eClerx Private Limited	Singapore	100%
4	eClerx Investments Limited	British Virgin Islands	100%
5	Agilyst Inc.	United States of America	100% subsidiary of eClerx Investments Limited
6	Agilyst Consulting Private Limited	India	100% subsidiary of Agilyst Inc

20. AUDITORS' REMUNERATION

(Rupees in million)

	Year ended March 31, 2014	Year ended March 31, 2013
Statutory Audit	4.37	4.39
Out of Pocket Expenses	0.05	0.05
TOTAL	4.42	4.44

21. SEGMENT REPORTING

The Company operates under a single primary segment i.e. data analytics and process outsourcing services. Details of secondary segments i.e. geographical segments are as under:

(Rupees in million)

Operational Revenues	Year ended March 31, 2014	Year ended March 31, 2013
United States of America	6,207.83	4,954.26
United Kingdom	450.77	281.31
Europe	1,358.25	1,005.10
Asia Pacific	393.09	364.67
Total Revenues	8,409.94	6,605.34

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

(Rupees in million)

Segment	Segment-wise Assets		Segment-wise Liabilities	
	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
United States of America	1,431.95	1,027.71	69.91	136.37
United Kingdom	1,176.45	588.09	52.35	50.26
Europe	225.32	214.41	-	6.87
Asia Pacific	5,027.46	4,146.54	625.29	529.50
Unallocated	52.57	44.62	1,276.68	915.09
TOTAL	7,913.75	6,021.37	2,024.23	1,638.09

(Rupees in million)

Segment-wise Addition to Fixed assets	As at March 31, 2014	As at March 31, 2013
United States of America	26.25	24.78
United Kingdom	3.55	20.78
Europe	-	-
Asia Pacific	181.15	266.98
TOTAL	210.95	312.54

22. DEFERRED TAX BALANCES

The components of deferred tax assets and liability arising on account of timing differences between taxable income and accounting income are as follows:

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Deferred Tax Assets		
Depreciation	(2.38)	(3.68)
Provision for gratuity	14.86	9.80
Provision for compensated absences	4.31	2.51
Provision for lease equalisation	14.09	6.42
Provision for Bonus	6.18	7.65
TOTAL	37.06	22.70

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Deferred Tax Liability		
Depreciation	18.75	9.93
TOTAL	18.75	9.93

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

23. OPERATING LEASES

The Company has various operating leases for office facilities and residential premises for employees which include leases that are renewable on a yearly basis, cancellable at its option and other long term leases.

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Lease payments recognised in the Statement of Profit and Loss	310.67	261.44
Future minimum lease payments for non-cancellable operating leases		
Not later than one year	81.39	90.53
Later than one year, but not later than five years	121.44	96.83
Later than five years	-	-

24. COMMITMENTS

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	59.75	1.11

25. EMPLOYEES STOCK OPTION PLAN (ESOP)

ESOP 2005 scheme:

The Company instituted ESOP 2005 scheme under which 750,000 stock options have been allocated for grant to the employees. The scheme was approved by our shareholders at the Extra Ordinary General Meeting held on November 16, 2005.

	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	-	-	56,501	106.67
Exercised	-	-	56,501	106.67
Balance as at the end of the year	-	-	-	-

ESOP 2008 scheme:

The Company instituted ESOP 2008 scheme under which 1,000,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders by way of postal ballot, the result of which was declared on May 19, 2008. The Scheme was subsequently amended to increase the number of options to 1,600,000 stock options vide resolution passed at Ninth Annual General Meeting held on August 26, 2009. Pursuant to bonus issue by the Company on July 29, 2010, the number of options available under the scheme accordingly increased to 2,400,000 pursuant to relevant SEBI regulations.

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

The details of options granted, forfeited and exercised under the aforementioned schemes are given below:

	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	1,009,725	464.99	1,882,775	337.94
Forfeited / cancelled	90,300	642.24	112,500	620.87
Exercised	335,445	244.77	760,550	88.35
Balance as at the end of the year	583,980	564.07	1,009,725	464.99

ESOP 2011 scheme:

The Company instituted ESOP 2011 scheme under which 1,600,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders at the Eleventh Annual General Meeting held on August 24, 2011. The Scheme was subsequently amended to increase the number of options to 2,600,000 stock options vide resolution passed at Thirteenth Annual General Meeting held on August 22, 2013.

	Year ended March 31, 2014		Year ended March 31, 2013	
	No. of Options	Weighted Average exercise price (Rs.)	No. of Options	Weighted Average exercise price (Rs.)
Stock Options outstanding at the beginning of the year	545,001	740.44	-	-
Granted during the year	624,658	618.55	633,083	740.44
Forfeited / cancelled	145,331	685.44	88,082	740.44
Exercised	4,500	740.44	-	-
Balance as at the end of the year	1,019,828	673.62	545,001	740.44

Proforma accounting for stock options granted

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share (EPS) as reported would have been as per the proforma amounts as indicated herein below:

(Rupees in million, except per share data)

	Year ended March 31, 2014	Year ended March 31, 2013
Net Profit after tax as reported	2,556.56	1,716.02
Add - Intrinsic Value Cost	(1.16)	(0.56)
Less - Fair Value Cost	100.38	118.93
Adjusted proforma Net Profit	2,455.02	1,596.53
Basic EPS as reported	85.14	58.33
Proforma Basic EPS	81.76	54.27
Diluted EPS as reported	82.81	56.92
Proforma Diluted EPS	79.53	52.96

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

The fair value of each option is estimated on the grant date based on the following assumptions:

ESOP 2005

Date of grant	August 30, 2007	July 1, 2007	April 1, 2007	April 1, 2007	April 1, 2007	July 1, 2006	July 1, 2006	April 1, 2006	October 1, 2005
Expected Volatility	59%	55%	63%	55%	56%	58%	57%	58%	56%
Risk Free Interest Rate	7.68%	7.54%	7.96%	7.92%	7.92%	6.69%	6.52%	7.18%	6.58%
Time to maturity (in years)	4.09	4.25	2.00	3.50	4.00	4.25	2.75	4.50	3.50
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

ESOP 2008

Date of grant	May 18, 2011	July 30, 2010	May 25, 2010	April 27, 2009	January 19, 2009	January 19, 2009	May 26, 2008
Expected Volatility	55%	59%	60%	67%	70%	72%	62%
Risk Free Interest Rate	8.30%	7.51%	6.96%	5.86%	5.81%	5.70%	7.78%
Time to maturity (in years)	4.37	4.17	4.35	4.43	4.70	3.70	4.35
Dividend Yield	3.20%	2.81%	2.81%	2.72%	0.00%	1.19%	0.00%

ESOP 2011

Date of grant	May 18, 2012	May 24, 2013
Expected Volatility	49.10%	37.38%
Risk Free Interest Rate	8.31%	7.26%
Time to maturity (in years)	4.45	4.36
Dividend Yield	2.32%	4.04%

26. RELATED PARTY INFORMATION

As per Accounting Standard 18 – Related Party Transactions, as notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Company's related parties and transactions with them are enumerated below:

A. Related Parties

- (a) Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:
 1. Duncan Stratton & Company Limited
- (b) Key Management Personnel:
 1. V.K. Mundhra (Chairman)
 2. PD Mundhra (Executive Director)
 3. Anjan Malik (Director)

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

B. Details of Related Party Transactions

The Company has identified the following related party transactions in accordance with the requirement under AS 18, as notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013:

(Rupees in million)

Sr. No.	Name	Nature of Transaction	Relationship	Transactions during the year		Outstanding Balance as at	
				March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	Anjan Malik	Remuneration	Director	18.95	23.90	--	--
		Dividend		198.06	138.64	--	--
2	PD Mundhra	Remuneration	Executive Director	23.12	21.28	--	--
		Dividend		197.95	138.56	--	--
3	V.K. Mundhra	Dividend	Director	0.81	0.57	--	--
4	Duncan Stratton & Company Limited	Rent	Common Director	0.03	0.03	--	--

27. EARNINGS PER SHARE

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

		Year ended March 31, 2014	Year ended March 31, 2013
Profit after tax attributable to shareholders (Rupees in million)	A	2,556.56	1,716.02
Weighted average number of equity shares outstanding during the year.			
- Basic	B	30,027,795	29,417,374
- Diluted	C	30,871,247	30,147,349
Earnings per share (Rs.)			
- Basic	A/B	85.14	58.33
- Diluted	A/C	82.81	56.92
Nominal value of shares (Rs.)		10	10

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

28. FORWARD CONTRACTS AND OPTIONS IN FOREIGN CURRENCIES

The Company is exposed to foreign currency fluctuations on assets / liabilities denominated in foreign currency. The use of forward contracts to hedge foreign currency risk is governed by the Company's strategy, which provides principles on the use of such forward contracts and currency options consistent with the Company's Foreign Exchange Risk Management Policy. The counter- parties in these instruments are banks and the Company considers the risks of non-performance by the counterparty as non-material. The Company does not use forward contracts and currency options for speculative purposes.

As at March 31, 2014				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward	2014 – 15	USD	\$ 57.50	63.87
		Euro	€ 7.80	80.68
	2015 – 16	USD	\$ 17.33	69.11
		Euro	€ 2.40	95.27

As at March 31, 2013				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward	2013 – 14	USD	\$ 47.25	55.12
		Euro	€ 7.55	72.23
	2014 – 15	USD	\$ 12.00	59.60
		Euro	€ 1.20	78.38
Put Option	2013 – 14	USD	\$ 2.00	52.50

As on the Balance Sheet date, the Company's net foreign currency exposure that is not hedged is Rs. 3,018.60 million (P.Y. Rs. 1,264.68 million).

29. The Company has deferred the recognition of cumulative Minimum Alternate Tax (MAT) credit of Rs. 266.23 million as at March 31, 2014 (P.Y. Rs. 245.50 million), which could be available for set off against future tax liability under the provisions of the Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.

30. CONTINGENT LIABILITIES

(Rupees in million)

	As at March 31, 2014	As at March 31, 2013
Guarantees given by the Company on behalf of various subsidiaries against credit facilities (see note (a))	2.6	2.6
Income Tax demands(see note (b))	14.87	13.29
Indirect Tax demands	7.44	7.44

Significant Accounting Policies and other explanatory information for the year ended March 31, 2014

Notes:

- (a) These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.
- (b) The Company has received favorable orders from Commissioner of Income Tax (Appeals) against the demand raised by the Assessing officers amounting to Rs. 13.29 million for Financial Year 2004-05 and Financial Year 2006-07. The department has preferred appeal to High Court for Financial Year 2007-08 and filed Special Leave Petition with Supreme Court for Financial Year 2006-07.
- (c) Service Tax refund claims filed by the company from October 2009 till March 2013 for Rs. 242.03 million was rejected by the Jurisdictional Service Tax authorities. Company has preferred appeal to the Commissioner of Central Excise(Appeals).

The amounts represent best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. Hence no provision has been made in the financial statements for these disputes.

31. The Company and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Company appoints independent consultants annually for conducting a Transfer pricing study to determine whether transactions with associate enterprises are undertaken, during the financial year, on an arms length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms length so that aforesaid legislation will not have any impact on the financial statements.
32. Previous year figures have been regrouped, wherever necessary to conform with the current year's presentation.

As per our report of even date

For **Walker Chandiook & Co LLP**

(formerly known as Walker, Chandiook & Co)

Chartered Accountants

Khushroo B. Panthaky

Partner

Place : Mumbai

Date : May 20, 2014

For and on behalf of the Board of Directors

V. K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

Statement pursuant to general exemption received u/s 212(8) of the Companies Act, 1956, relating to subsidiary companies for the FY2013-14

(Rupees in million)

Name of Subsidiary	eClerx Limited	eClerx LLC	eClerx Private Limited	eClerx Investments Limited	Agilyst Inc.	Agilyst Consulting Private Limited
Financial Period ended	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
Holding Company's interest(in equity shares)	100%	100%	100%	100%	*100%	**100%
Shares held by the Holding Company in the subsidiary	100	100	1	^ 13,595,323	1,000,000	10,000
The net aggregate of profits or losses of the subsidiary for the current period so far as it concerns the members of the holding Company.						
a. dealt with or provided for the account of the holding Company.	-	-	-	-	-	-
b. not dealt with or provided for in the accounts of the Holding Company.	22.62	16.21	5.01	(31.92)	137.08	69.57
The net aggregate of profits or losses for previous financial years of the subsidiary so far as it concerns the members of the holding Company.						
a. dealt with or provided for in the account of the holding Company.	-	-	-	-	-	-
b. not dealt with or provided for in the accounts of the holding Company.	62.78	44.34	12.55	(95.73)	40.78	125.36
Issued and Subscribed share capital	0.01	0.01	0.01	^ 1,357.49	1.76	0.10
Reserves	99.64	65.08	18.56	(148.11)	181.31	194.92
Total Assets	169.68	174.72	27.26	1,209.42	275.79	268.84
Total Liabilities	70.03	109.63	8.69	-	92.72	73.82
Investment other than investment in subsidiaries						
Turnover	446.43	675.88	73.61	-	1,187.74	781.93
Profit/(Loss) before Tax	31.00	29.23	5.14	(31.92)	214.55	104.57
Provision for tax	8.38	13.02	0.13	-	77.47	35.00
Profit/(Loss) after Taxation	22.62	16.21	5.01	(31.92)	137.08	69.57
Proposed dividend	-	-	-	-	-	-

* Held by eClerx Investments Limited

** Held by Agilyst Inc.

^ Out of which 7,776,000 are Optionally Convertible Redeemable Preference Shares

Notice

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of eClerx Services Limited ('the Company') will be held on Thursday, July 10, 2014 at 10.15 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, LNM IMC Building, Churchgate, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss Account and the Cash Flow Statement for the year ended on that date together with the notes forming part of the accounts and annexure thereto and reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the year ended March 31, 2014.
3. To appoint a Director in place of Anjan Malik, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company in place of M/s. Walker, Chandiook & Co LLP (formerly: Walker, Chandiook & Co) the retiring auditor and to fix their remuneration.

To consider, review, and if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and Section 140 (as applicable) of the Companies Act, 2013 and all other applicable provisions, if any, M/s S.R. Batliboi & Associates LLP, Chartered Accountants, 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (west), Mumbai – 400 028, bearing Firm Registration Number 101049W, be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. Walker, Chandiook & Co, the retiring auditor, for the term of five consecutive years i.e. from the conclusion of this meeting up to the conclusion of Nineteenth Annual General Meeting, subject to ratification by Members at every Annual General Meeting under the provisions of Companies Act, 2013, and at such remuneration as the Board ('including any committee thereof ') may deem fit."

SPECIAL BUSINESS:

5. Fees to be paid for service of documents to the shareholders of the Company

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provision of Section 20(2) of the Companies Act, 2013 ("the Act"), the Rules thereunder and such other provisions as may be applicable, the fees of Rs.10/- per page of the document payable by the shareholders for delivery of any document through a particular mode to the Members of the Company be and is hereby approved."

6. Appointment of Nityanath Ghanekar, as a Director in the capacity of Non-Executive Independent Director

To consider, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the relevant provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under ('the Act')(including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Nityanath Ghanekar (holding DIN 00009725), who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the Act, to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, along with requisite deposit, proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term up to March 31, 2019, not liable to retire by rotation."

7. Appointment of Deepa Kapoor, as a Director in the capacity of Non-Executive Independent Director

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (‘the Act’)(including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Deepa Kapoor (holding DIN 06828033), who was appointed as an Additional Director of the Company by the Board of Directors under Section 161 of the Act, to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, along with requisite deposit, proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term up to March 31, 2019, not liable to retire by rotation.”

8. Appointment of Pradeep Kapoor, as Non-Executive Independent Director

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 150, 152, read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement (as amended from time to time), and declaration received from the director with respect to the fulfillment of conditions as specified in Section 149(6) of the Act, consent of the Members of the Company be and is hereby accorded to designate and appoint, Pradeep Kapoor (holding DIN 00053199), an existing Non-Executive Independent Director of the Company as Non-Executive Independent Director under the Act and other relevant rules for a term up to March 31, 2019, not liable to retire by rotation.

9. Appointment of Anish Ghoshal, as Non-Executive Independent Director

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 150, 152, read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014, clause 49 of the Listing Agreement (as amended from time to time), and declaration received from the director with respect to the fulfillment of conditions as specified in Section 149(6) of the Act, consent of the Members of the Company be and is hereby accorded to designate and appoint, Anish Ghoshal (holding DIN 00276807), an existing Non-Executive Independent Director of the Company as Non-Executive Independent Director under the Act and other relevant rules for a term up to March 31, 2019, not liable to retire by rotation.

10. Appointment of Vikram Limaye, as Non-Executive Independent Director

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 150, 152, read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014, clause 49 of the Listing Agreement (as amended from time to time), and declaration received from the director with respect to the fulfillment of conditions as specified in Section 149(6) of the Act, consent of the Members of the Company be and is hereby accorded to designate and appoint, Vikram Limaye (holding DIN 00488534), an existing Non-Executive Independent Director of the Company as Non-Executive Independent Director under the Act and other relevant rules for a term up to March 31, 2019, not liable to retire by rotation.

11. Appointment of Biren Gabhawala, as Non-Executive Independent Director

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 150, 152, read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014, clause 49 of the Listing Agreement (as amended from time to time), and declaration received from the director with respect to the fulfillment of conditions as specified in Section 149(6) of the Act, consent of the Members of the Company be and is hereby accorded to designate and appoint, Biren Gabhawala (holding DIN 03091772), an existing Non-Executive Independent Director of the Company as Non-Executive Independent Director under the Act and other relevant rules for a term up to March 31, 2019, not liable to retire by rotation.

12. Appointment of Alok Goyal, as Non-Executive Independent Director

To consider, review, and if thought fit, pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 152, read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (“the Act”) and Companies (Appointment and Qualification of Directors) Rules, 2014, clause 49 of the Listing Agreement (as amended from time to time), and declaration received from the director with respect to the fulfillment of conditions as specified in Section 149(6) of the Act, consent of the Members of the Company be and is hereby accorded to designate and appoint, Alok Goyal (holding DIN 05255419), an existing Non-Executive Independent Director of the Company as Non-Executive Independent Director under the Act and other relevant rules for a term up to March 31, 2019, not liable to retire by rotation.

13 Approval for increasing the Borrowing Powers

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** in supercession of all the earlier resolutions past in this regard and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and other rules and regulations as applicable, the Board of Directors (hereinafter referred to as “the Board”), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorised to borrow from time to time any sum or sums of monies, in one or more tranches, which together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained or to be obtained from the Company’s bankers in ordinary course of business) from any Bank and/or Public Financial Institution as defined under Section 2(72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, and as may be deemed appropriate by the Board for an aggregate amount not exceeding at any time, Rs. 5,000 (Rupees Five Thousand Million only), over and above aggregate of its then applicable paid up share capital and free reserves, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, as defined under the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

14. Creation of charge on movable and immovable properties of the Company, both present and future

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof), and other rules and regulations as applicable, the Board of Directors (hereinafter referred to as “the Board”), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorised to create mortgage, charge and/or hypothecations, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of the Banks/Financial Institutions, other agencies, trustees and other entities, by whatever name called, for the holders of debentures/bonds and/or other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or securities linked to equity shares and/or other securities and/or rupee/foreign currency convertible bonds and/or bonds with detachable share warrants, as permitted, (hereinafter collectively referred to as “Loans”) and/or secured loan(s) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges,

premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 5,000 Million (Rupees Five Thousand Million) only over and above the aggregate of Company's then applicable paid-up share capital and free reserves, as defined under the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By Order of the Board
For eClerx Services Ltd**

Gaurav Tongia
Company Secretary

Place: Mumbai
Date: May 20, 2014

Registered Office:
Sonawala Building,
1st Floor, 29 Bank Street,
Fort, Mumbai - 400 023

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY(S) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy in order to be valid / effective must be duly filled in all respects and should be lodged with Company at its registered office at least **48 hours** before the commencement of the meeting.

A person appointed as a proxy shall act on behalf of such number of Member(s) not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company, carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 4, 2014 to Thursday, July 10, 2014 (both days inclusive).
4. Pursuant to the Listing Agreement entered with the Stock Exchanges, brief profiles of the Directors who are proposed to be appointed/re-appointed are included as annexed to the Annual Report.
5. The certificate from the Auditors of the Company certifying that the Company's Employee Stock Option Scheme(s) / Plan(s) are being implemented in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed by the Company in the General Meeting will be available for inspection by the Members at the Annual General Meeting.
6. All documents referred to in the Notice are open for inspection at the registered office of the Company on all working days except Saturday between 11.00 a.m. to 6.00 p.m. up to the date of the Annual General Meeting.
7. Requisite Registers maintained pursuant to the provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable, will be accordingly available for inspection by the Members at the Annual General Meeting.
8. Members are requested to:
 - a. produce the duly filled-in attendance slip, at the entrance of the meeting hall;
 - b. send their queries, if any, on the operations of the Company, to reach the Company's Registered Office at least 10 days before the Annual General Meeting, so that the information could be compiled in advance; and
 - c. immediately intimate change of address, if any, to the Registrar and Transfer Agent quoting reference of their registered folio number.
9. Dividend as recommended by the Board of Directors, if approved at the meeting, shall be paid to the shareholders on or after Tuesday, July 15, 2014, whose names appear on the Register of Members of the Company as per the book closure fixed for the purpose. In case of shares held in dematerialised form, the dividend thereon shall be paid to the beneficial owners, as per list provided by the Depositories for the said purpose.
10. Members who wish to claim their dividends declared in past and which remains unclaimed, are requested to contact Registrar and Share Transfer Agent (RTA) of the Company viz., Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad – 500081 or write to the Company at its Registered office. Members are requested to note that, pursuant to Section 124 of the Companies Act, 2013 (Section

- 205A of the erstwhile Companies Act, 1956) and Rule thereunder, dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund.
11. In case the shares are held in physical form, all transfer deeds, requests for change of address, bank particulars / mandates / NECS mandates, PAN should be lodged with the Registrar and Share Transfer Agent (RTA) of the Company viz., Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad – 500081, before the book closure. The above details in respect of the shares held in electronic form should be sent to the respective depository participants by the Members well in time. Members are encouraged to utilise the Electronic Clearing System (ECS) for receiving dividends.
 12. Members are requested to furnish to the registrars/depository participants, the name and branch of the bank and account number to enable the Company to distribute dividend through National Electronic Clearing Services (NECS). In the absence of NECS facility with the shareholder's bank, the bank account details will be printed on the dividend warrants, if available.
 13. Members are entitled to make nomination in respect of the shares held by them in physical form. Members desirous of making nominations may approach the RTA of the Company.
 14. M/s. Walker, Chandiook & Co. LLP Chartered Accountants, Mumbai, who are the Statutory Auditors of the Company, hold office up to the conclusion of the this Annual General Meeting. A Special Notice in terms of Companies Act, 2013 has been received from Member(s), proposing appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of ensuing AGM up to the conclusion of Nineteenth Annual General Meeting subject to ratification of Members at every Annual General Meeting under the provisions of the Companies Act, 2013.
 15. The Company is concerned about the environment and utilisation of natural resources in eco-friendly and sustainable manner. We thus request you to update your email address with your Depository Participant to enable us to send you the communication(s) via email.
 16. Copies of the Annual Report 2013-14 are being send via electronic mode, only to the Members whose email address are available with the Company / Depository Participants for communication purpose unless any Member has requested for a hard copy of the same. For Members who have not provided their email address, physical copies of the Annual Report 2013-14 are being sent by permitted mode.
 17. The Notice of the 14th AGM and detailed instruction for e-voting alongwith a attendance slip and proxy form, is being sent by electronic mode to all Members whose email address are available with the Company / Depository Participants for communication purpose unless any Member has requested for a hard copy of the same. For Members who have not provided their email address, physical copies of the aforesaid documents are being sent by permitted mode.
 18. Members may also note that the Notice of the 14th AGM and the Annual Report 2013-14 will be available on the Company's website www.eClerx.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days except Saturday between 11.00 am to 6.00 pm. Members who require communication in physical form in addition to e-communication may write to the Company or its Registrar and Transfer Agent.

Annexure to Notice

Explanatory statement pursuant to Section 102 of the Companies Act, 2013

Item No. 5

The provisions of Section 20 of the Companies Act, 2013, *inter-alia*, provide that a Member can request delivery of document in any permitted mode on payment of such fees as may be decided by the Members of the Company at the Annual General Meeting.

The proposed resolution is for the purpose of seeking Members approval for determination of such fees.

None of the Directors and Key Managerial Personnel or their relatives are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No. 6 and 7

The current composition of the Board of Directors of the Company is an optimum combination of Executive, Non Executive and Independent Directors and is in compliance with the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges. However to further broad base the Board composition and to optimise and further enhance the corporate governance practices by your Company, your Board of Directors at its meeting held on March 11, 2014 appointed Nityanath Ghanekar and Deepa Kapoor as Additional Independent Directors on the Board of the Company under Section 161 of the Companies Act, 2013. They hold the office of Director up to the date of this Annual General Meeting. It may also be noted that with Deepa Kapoor joining the Board of your Company, it would ensure compliance laid down under the Companies Act 2013, requiring appointment of atleast one woman director.

The Company has received notice in writing along with requisite deposit from a Member proposing their candidature for the office of Director(s) under the provision of Section 160 of the Act.

The Board of Directors have received the declaration(s) and requisite consent(s) from Nityanath Ghanekar and Deepa Kapoor that they respectively meet the criteria of Independence as provided under the Companies Act, 2013, and in the opinion of the Board both of them fulfill the conditions specified in the Companies Act, 2013 and the rules made there under and are independent of the management.

As per disclosure(s) to the Company, Nityanath Ghanekar and Deepa Kapoor do not hold any shares in the Company in their personal capacity either directly or through their dependent relatives. If appointed, they would hold office as Non-Executive Independent Director.

Brief profile of Nityanath Ghanekar and Deepa Kapoor in terms of Clause 49 the Listing Agreement is attached as Annexure-A to this Notice.

Copy of the draft letter for appointment of Nityanath Ghanekar and Deepa Kapoor as Non-Executive Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday, between 11.00 am to 6.00 pm.

None of the Directors and Key Managerial Personnel of the Company or their relatives other than Nityanath Ghanekar and Deepa Kapoor, are interested or concerned in the respective resolutions.

The Board recommends the resolution set forth in Item Nos. 6 and 7 for the approval of the Members.

Item No. 8 to 12

The Companies Act, 2013 provides that an Independent Director can hold office for two consecutive terms of 5 years each. The relevant provision(s) under the Companies Act 2013, has come into force from Apr 1, 2013 and the Act further provides that the appointment of Independent Directors shall be approved by the Company in General Meeting.

The SEBI circular CIR/CFD/POLICY CELL/2/2014 dated Apr 17, 2014 provides that:

- a. An independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Provided further that an independent director, who completes his above mentioned term shall be eligible for appointment as independent director in the company only after the expiration of three years of ceasing to be an independent director in the company.

In order to comply with aforesaid provisions, it is proposed to seek shareholders' approval for appointment of Non-Executive Independent Directors of the Company from the date of this Annual General Meeting till March 31, 2019.

Pradeep Kapoor:

Pradeep Kapoor was appointed as a Non-Executive Independent Director of the Company at its General Meeting held on September 1, 2008. In terms of the relevant provisions of sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, and other relevant regulations, the Board of Directors have received the declaration from Pradeep Kapoor that he meets the criteria of Independence as provided under the Companies Act, 2013, and in the opinion of the Board Pradeep Kapoor fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management.

Brief profile of Pradeep Kapoor is attached as Annexure-B to this Notice.

None of the Directors, Key Managerial Personnel or their relatives, except Pradeep Kapoor, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the Members.

Anish Ghoshal

Anish Ghoshal was appointed as a Non-Executive Independent Director of the Company at its General Meeting held on September 1, 2008. In terms of the relevant provisions of sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, and other relevant regulations, the Board of Directors have received the declaration from Anish Ghoshal that he meets the criteria of Independence as provided under the Companies Act, 2013, and in the opinion of the Board Anish Ghoshal fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management.

Brief profile of Anish Ghoshal is attached as Annexure-B to this Notice.

None of the Directors, Key Managerial Personnel or their relatives, except Anish Ghoshal, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 9 for the approval of the Members.

Vikram Limaye

Vikram Limaye was appointed as a Non-Executive Independent Director of the Company at its General Meeting held on September 1, 2008. In terms of the relevant provisions of sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, and other relevant regulations, the Board of Directors have received the declaration from Vikram Limaye that he meets the criteria of Independence as provided under the Companies Act, 2013, and in the opinion of the Board Vikram Limaye fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management.

Brief profile of Vikram Limaye is attached as Annexure-B to this Notice.

None of the Directors, Key Managerial Personnel or their relatives, except Vikram Limaye, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 10 for the approval of the Members

Biren Gabhawala

Biren Gabhawala was appointed as a Non-Executive Independent Director of the Company at its General Meeting held on August 24, 2011. In terms of the relevant provisions of sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, and other relevant regulations, the Board of Directors have received the declaration from Biren Gabhawala that he meets the criteria of Independence as provided under the Companies Act, 2013, and in the opinion of the Board Biren Gabhawala fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management.

Brief profile of Biren Gabhawala is attached as annexure-B to this Notice.

None of the Directors, Key Managerial Personnel or their relatives, except Biren Gabhawala, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 11 for the approval of the Members.

Alok Goyal

Alok Goyal was appointed as a Non-Executive Independent Director of the Company at its General Meeting held on August 23, 2012. In terms of the relevant provisions of sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013, and other relevant regulations, the Board of Directors have received the declaration from Alok Goyal that he meets the criteria of Independence as provided under the Companies Act, 2013, and in the opinion of the Board, Alok Goyal fulfills the conditions specified in the Companies Act, 2013 and the rules made there under and is independent of the management.

Brief profile of Alok Goyal is attached as Annexure-B to this Notice.

None of the Directors, Key Managerial Personnel or their relatives, except Alok Goyal, are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 12 for the approval of the Members.

Copy of the draft letter(s) for appointment of aforesaid Independent Directors setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday between 11.00 am to 6.00 pm.

Item No. 13 and 14

The Board of Directors of the Company vide resolution passed on December 16, 2010 accorded its consent, subject to the Members' approval for increasing limits on borrowing and creation of charges upon Company's properties, *inter-alia*, under Section 293(1)(d) and Section 293(1)(a) respectively of the Companies Act, 1956 upto Rs. 5,000 million. The Members of the Company accorded their consent for the aforesaid proposals for raising of long term funds, increasing of borrowing limits and creation of charges by way of postal ballot, result of which was announced on February 3, 2011.

The said borrowing provisions are now laid down under Section 180 of the Companies Act, 2013. MCA

vide its General Circular No. 04/2014, dated March 25, 2014 provided that the resolution passed under section 293 of the Companies Act, 1956 prior to September 12, 2013 with reference to borrowings and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act. The section was notified on September 12, 2013.

The Company may be required to procure and / or secure long term borrowings by way of creation of charge, mortgage and / or hypothecation on the properties of the Company in favour of the secured lenders, security holders, trustees for the holders of such securities and other lender entities, by whatever name called.

Accordingly the Company is required to pass a fresh resolution to borrow and / or create charge. Such approval is regarded by the Board as an enabling resolution, which can be used to raise funds in one or more tranches, in appropriate amount and using the appropriate mix of borrowing mode / instruments, once the usage of funds has been more specifically identified. As such, the Board proposes to have enabling approval from the Members to allow it the necessary flexibility to quickly take advantage of emerging growth opportunities. It may be noted that this authorisation for given monetary ceiling is being sought from long term perspective.

As per the provisions of Section 180(1)(c) of the Companies Act, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution. It is therefore proposed to seek fresh enabling authorisation from the shareholders of the Company at this Fourteenth Annual General Meeting.

None of the Directors and Key Managerial Personnel or their relatives are interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 13 and 14 for the approval of the Members.

Annexure-A

Information regarding Directors seeking appointment/re-appointment at the Fourteenth Annual General Meeting (Pursuant, *inter-alia*, to Clause 49 of Listing Agreement entered into by the Company with Stock Exchanges)

Item No. 3, 6 and 7

Name	Anjan Malik	Nityanath Ghanekar	Deepa Kapoor
Profession	Business Executive	Business Executive	Business Executive
Qualification	Bachelors Degree in Physics, with honours from the Imperial College of Science and Technology, London (UK) and he holds a Masters of Business Administration degree in Finance from the Wharton School of Pennsylvania (USA)	Fellow Member of the Institute of Chartered Accountants of India and Law graduate from Mumbai University. He holds diploma in Financial Management from Bajaj, Mumbai.	Master of Business Administration from the Wharton School, University of Pennsylvania and Majors in Computer Science and Mathematics from Smith College, Northampton, MA.
Expertise in specific functional area	Anjan Malik, 44 years, has over 21 years experience in investment banking, capital markets, consulting and technological solutions. Nine of those 21 years have been devoted to capital markets and the KPO / BPO sector. Prior to his involvement with eClerx, which he co-promoted in 2000 along with PD Mundhra, Anjan Malik ran the credit trading department for Lehman Brothers in London. Prior to Lehman, he worked in Europe as a senior consultant with Accenture's capital markets practice.	Nityanath Ghanekar, 67 years, was a Partner with Lovelock & Lewes, PricewaterhouseCoopers and Ernst & Young till 2007. He was the Managing Director of JM Financial Asset Management Pvt. Ltd. and stepped down on 30 June 2009. As a partner of global accounting firms, he has extensive experience of more than three decades in various areas like Finance, Regulators, Advisory and Taxation. Over these years Nityanath Ghanekar has advised corporates on Inbound and Outbound Investments, Establishment of Joint Ventures, Mergers / Demergers / Acquisitions and Business Re-organizations, Due-Diligence etc. These advisory services were spanning across industries like Telecom, Insurance, Automobiles, FMCG, Pharmaceutical, NBFC, Brokerages, etc. He has worked extensively within finance and investment fields. He has worked in various aspects of taxation, Transfer pricing and Regulatory approvals like FIPB, IRDA, etc.	Deepa Kapoor, 46 years, has an overall experience of 23 years and has held various positions in companies viz. Broadview Associates, Oracle Corporation, Lucent Technologies, Genpact, etc. and she is currently working with Punj Lloyd as Vice President Corporate Social Responsibility and Skill Development.
Directorships held in other Companies	<ul style="list-style-type: none"> • eClerx LLC • eClerx Limited • eClerx Private Limited • Agilyst Inc. 	<ul style="list-style-type: none"> • National Peroxide Ltd. • LIC Nomura Trustee Co. Pvt. Ltd. 	-
Memberships held in committees of the Board of other Companies	-	-	-
Shares held in the Company as on the date of Notice	7,922,250	NIL	NIL

Annexure-B

Item No. 8,9,10,11 and 12

Name of Director	Pradeep Kapoor	Anish Ghoshal	Vikram Limaye	Biren Gabhawala	Alok Goyal
Profession	Business Executive	Legal Practitioner	Business Executive	Practicing Chartered Accountant	Business Executive
Qualification	He holds a bachelor's degree in Mechanical Engineering from Regional Engineering College, Bhopal.	He graduated with a Bachelor's degree in Commerce with Honours from St. Xavier's College, Kolkata. Thereafter, he obtained Bachelor's degree in Law from the University of Bombay.	He graduated with a Bachelor's degree in commerce from University of Mumbai. He is also a Chartered Accountant from the Institute of Chartered Accountants of India and holds a Master's degree in Business Administration from the Wharton School, University of Pennsylvania, USA.	Biren Gabhawala graduated from H. R. College of Commerce & Economics with a Bachelor of Commerce Degree, Mumbai and he is qualified Chartered Accountant and is a Fellow Member of the Institute of Chartered Accountants of India	Alok Goyal has done his MBA from INSEAD (France), MS in Computer Sciences from University of Texas, Austin and his B.Tech in Computer Science and Engineering from IIT Delhi.
Expertise in specific functional area	Pradeep Kapoor, 69 years, has been associated with the infrastructure industry, especially engineering, manufacturing and construction industry for approx. 45 years. Under his leadership a number of cement plants, mineral processing plants, and infrastructure projects have been constructed. He has been the Managing Director and CEO of Trafalgar House Construction Limited, Managing Director and CEO of FL Smidth Limited, Vice-chairman/Managing director/CEO of ABG Cement Limited and of ABG Energy Limited. He also has been the Chairman of Fuller Infotech Private Limited, Director of FLS Automation Private Limited. He also has been the CEO of Dosdal Limited and of Sanghi Industries Limited.	Anish Ghoshal, 49 years, has been involved in legal practice since 1990, specializing in corporate, regulatory laws, acquisitions, joint ventures, labor laws, real estate and intellectual property laws. He is currently a partner in PDA Law, Advocates.	Vikram Limaye, 47 years, is the Managing Director & CEO of IDFC Limited. He has over 25 years of experience working with Financial Institutions, Global Investment Banks, International Commercial Banks and Global Accounting firms. Prior to joining IDFC, Vikram Limaye served Credit Suisse First Boston (CSFB) in U.S.A. in a variety of roles in Investment Banking, Capital Markets, Structured Finance and Credit Portfolio Management. He began his corporate career with Arthur Andersen in Mumbai, after which he worked with Ernst & Young and Citibank N.A. in the Business Advisory Services Group and Global Consumer Banking Group respectively. Vikram Limaye has broad-based experience across various areas of the financial services landscape. He has been on various boards and government committees and is currently a member of the Managing Committee of Bombay Chamber of Commerce and Industry, member of the Governing council of University of Pennsylvania Institute for the Advanced Study of India, CII National Committee on NBFCs and Economic Policy Council of CII.	Biren Gabhawala, 49 years, has been in practice for 27 years. He is a Senior Partner of M/s. C. M. Gabhawala & Co. Chartered Accountants and specialises in Direct and Indirect Taxation, FEMA, International Taxation, Mergers and Acquisitions. He provides consultancy both to national and international companies, as well as Audit and Assurance Services.	Alok Goyal, 43 years, is a Partner at Helion Advisors, based out of Gurgaon. He focuses on Enterprise Technology investments. In addition to eClerx, he serves on the board of Linguanext. Prior to Helion, Alok was the Chief Operating Officer (COO) of SAP India and had been associated with SAP since the year 2004 in various leadership roles in the United States and in India. Before SAP, He also worked with Siebel Systems, The McKenna Group, McKinsey & Company and Cadence Design Systems.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



eClerx Services Limited
CIN: L72200MH2000PLC125319

Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai 400 023, India.
Phone no.: +91 (22) 6614 8301 Fax No: +91 (22) 6614 8655 Email: investor@eclerx.com Website: www.eclerx.com

14th Annual General Meeting - July 10, 2014

Name of the Member(s)	<input type="text"/>
Registered address	<input type="text"/>
E-mail Id	<input type="text"/>
Folio No./ Client Id	<input type="text"/>
DP ID	<input type="text"/>

I/We, being the member (s) of shares of the Company, hereby appoint

Name :
 Address :
 E-mail Id :
 Signature :
 or failing him/her

Name :
 Address :
 E-mail Id :
 Signature :
 or failing him/her

Name :
 Address :
 E-mail Id :
 Signature :

contd.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company, to be held on the 10th day of July, 2014, at 10.15 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, LNM IMC building, Churchgate, Mumbai – 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional-see note 2 below) (Please mark (√) and No. of shares)		
		For	Against	Abstain
Ordinary Business:				
1	To receive, consider, approve and adopt the audited Financial Statements of the Company comprising of the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss Account and the Cash Flow Statement for the year ended on that date together with the notes forming part of the accounts and annexure thereto and reports of the Board of Directors and the Auditors thereon.			
2	To declare dividend for the year ended March 31, 2014.			
3	To appoint a Director in place of Anjan Malik, who retires by rotation and being eligible, offers himself for re-appointment.			
4	To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company in place of M/s. Walker Chandiook & Co LLP, the retiring auditor and to fix their remuneration.			
Special Business:				
5	Fees to be paid for service of documents to the shareholders of the Company.			
6	Appointment of Nityanath Ghanekar, as a Director in the capacity of Non-Executive Independent Director.			
7	Appointment of Deepa Kapoor, as a Director in the capacity of Non-Executive Independent Director.			
8	Appointment of Pradeep Kapoor, as Non-Executive Independent Director.			
9	Appointment of Anish Ghoshal, as Non-Executive Independent Director.			
10	Appointment of Vikram Limaye, as Non-Executive Independent Director.			
11	Appointment of Biren Gabhawala, as Non-Executive Independent Director.			
12	Appointment of Alok Goyal, as Non-Executive Independent Director.			
13	Approval for increasing the Borrowing Powers.			
14	Creation of charge on movable and immovable properties of the Company, both present and future.			

Signed this _____ day of _____ 2014

.....
Signature of shareholder

.....
Signature of Proxy holder(s)

Affix Revenue Stamp

Note:

- 1) This form of proxy, in order to be effective, should be duly stamped, completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- 2) It is optional to indicate your preference. If left blank your proxy will be entitled to vote in the manner as s/he deems appropriate.

ATTENDANCE SLIP**eClerx Services Limited**

CIN: L72200MH2000PLC125319

Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai 400 023, India.

Phone no.: +91 (22) 6614 8301 Fax No: +91 (22) 6614 8655 Email: investor@eclerx.com Website: www.eclerx.com

Reg. Folio No.

No. of Shares

Client ID No.

DP ID No.

I / We, certify that I / We, am / are a Member / Proxy for the Member of the Company.

Fourteenth Annual General Meeting of the Company to be held on Thursday, July 10, 2014 at 10:15 a.m.
at Walchand Hirachand Hall, Indian Merchants' Chamber, LNM IMC Building, Churchgate, Mumbai - 400 020.

.....
Shareholder's/ Proxy's name in block letters

.....
Signature of Shareholder/ Proxy

Note:

Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

eClerx Cares

CHRISTMAS EVENT



MARATHON 2014





eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor,
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