



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

June 23, 2015

FORM A

Sr. No.	Particulars	Remarks
1	Name of the Company	eClerx Services Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

For eClerx Services Limited

PD Mundhra
Executive Director



For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W

per Amit Majmudar
Partner

For eClerx Services Limited

Biren Gabhawala
Director and Chairman of the Audit Committee

For eClerx Services Limited

Rohitash Gupta
Chief Financial Officer



AZ



eClerx Services Limited

15
YEARS



ANNUAL REPORT
2014-15

**EMPOWERING
INNOVATION**

Content

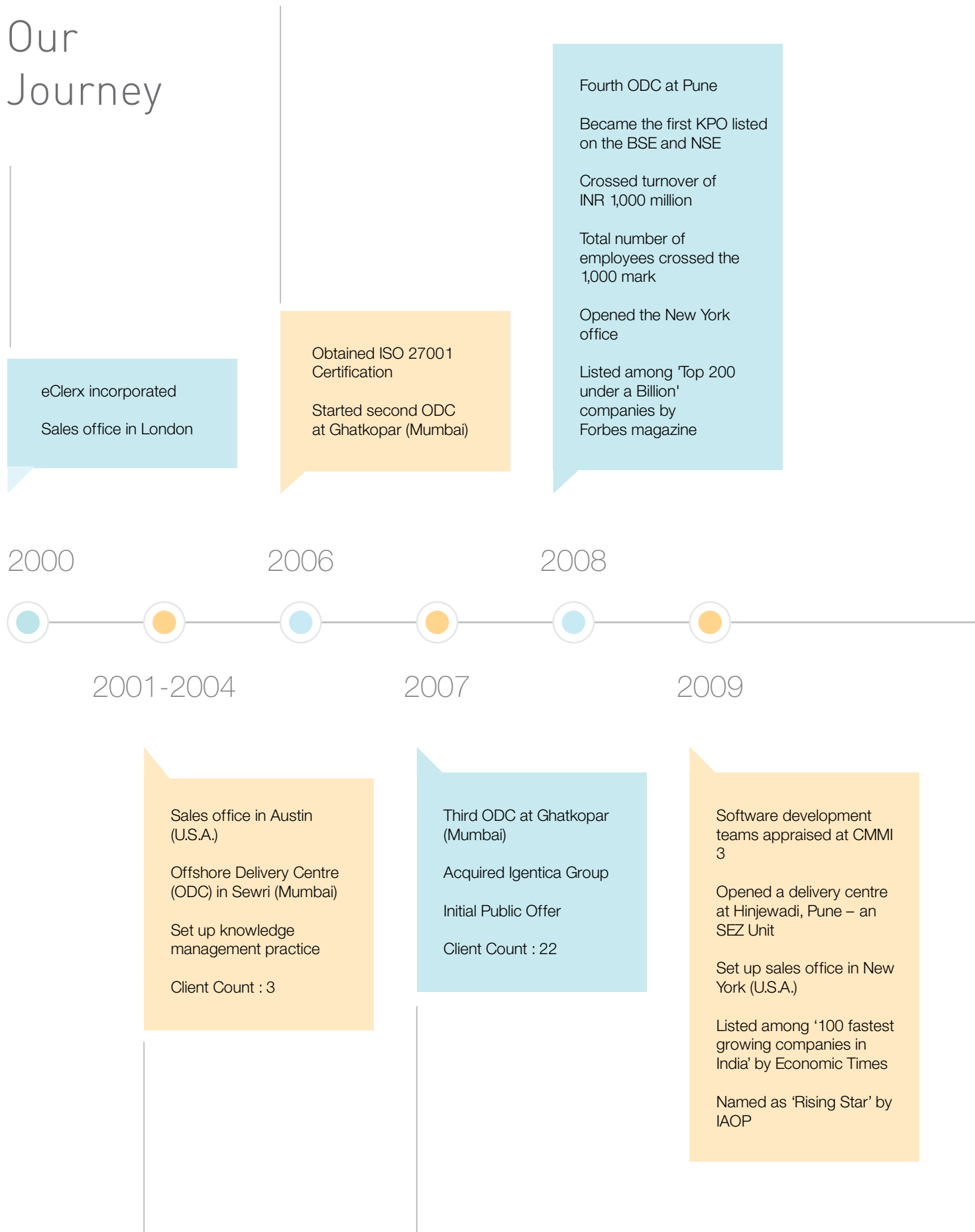
02	Our Journey	14	Our Locations
05	Who we are	16	Financial Highlights
07	Our Values	18	Chairman's Message
09	Awards and Accolades	20	Corporate Information
11	What we do	21	Directors' Report

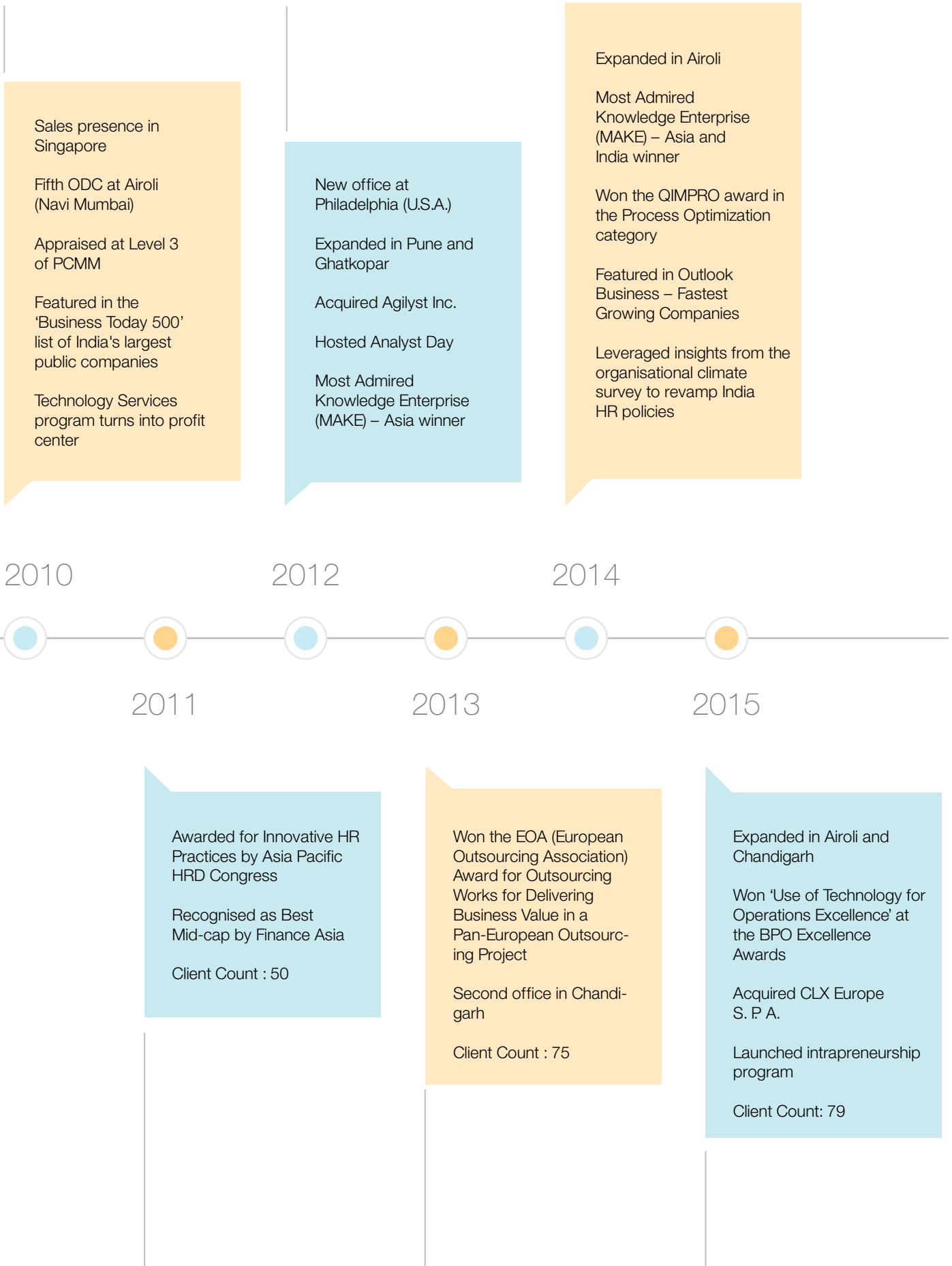
37	Statement u/s 129(3) of the Companies Act, 2013 relating to subsidiary companies	116	Auditors' Report on Consolidated Financials
51	Management Discussion and Analysis	120	Consolidated Financial Statements
58	Corporate Governance Report	150	Notice of the Fifteenth Annual General Meeting
80	Auditors' Report on Standalone Financials	162	Explanatory statement pursuant to Section 102 of the Companies Act, 2013
84	Standalone Financial Statements	167	Proxy Form

Disclaimer : This Annual Report contains forward-looking information to enable investors to comprehend the 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 the 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.

Our Journey









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, Industrial Manufacturing, Financial Services, ECommerce, Retail and Distribution, Broadband, Cable and Telecom, 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 Limited and National Stock Exchange of India Limited





Our Values

Quality: Make it our religion

- Deepen knowledge of client processes, people 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 culture
- Invest aggressively in recruitment 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 our 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

- Recognised as the 'Star SME of the Year' in the Small and Medium Enterprise (SME) category at the Business Standard Awards for Corporate Excellence
 - Recognised in the Deloitte Technology Fast 500™ Ranking as one of the 500 fastest-growing technology companies in the Asia Pacific, based on the percentage revenue growth over the last three financial years
 - Won the 2014 Most Admired Knowledge Enterprise (MAKE) Asia award for the second time
 - Won the QIMPRO award for 2014, in the Process Optimization category
 - Among the top 10 nominees in the Small Cap range for the RB Investor Communication award
 - Named as 2014 CIO 100 Award winner
 - Recognised in the 2014 IAOP Global Outsourcing 100 ranking and included in their 'Best 10 Companies – Marketing Services' and 'Best 20 Companies – Financial Management Services' sub-lists for the second time in a row
 - Featured in Outlook Business' 'Fastest Growing Companies'
 - Won the Knowledge Management Leadership award
 - Won the 'Use of Technology for Operational Excellence' BPO Excellence award at the 2014 Asia BPO Summit
 - Won 'NetApp Innovation Awards 2015'
 - Recognised as ReQ Rangers in the category 'Innovation – Product or Service' in the Social Innovation Awards, endorsed by World CSR Congress
 - Won 'Use of Technology for Operations Excellence' at the BPO Excellence Awards – 2015
-



What we do

FINANCIAL

- 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

DIGITAL MARKETING

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

DIGITAL BRANDING

- Content Creation
- Multi-channel Media Content Management
- Digital Asset Management
- 3D-CGI

CABLE AND TELECOM

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

What we do

FINANCIAL

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.

DIGITAL MARKETING

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.

DIGITAL BRANDING

eClerx creates, manages and delivers creative assets globally to the multi-channel market to support the marketing, communication and branding needs of luxury brands and major retailers.

CABLE AND TELECOM

For the cable and telecom industry, eClerx offers 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).

Our Locations

REGISTERED OFFICE

eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor,
29 Bank Street, Fort,
Mumbai – 400 023,
Maharashtra, India.
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

Delivery Centers

AIROLI – I

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

PUNE – I

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

CHANDIGARH

2nd Floor, Towers A & B,
DLF Technology Park,
Chandigarh – 160 101, India.
Ph. No.: +91 (172) 6633 600
Fax No.: +91 (172) 6633 623

AIROLI – II

Building # 11, 4th-6th 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

PUNE – II

Block 4, 2nd Floor,
Quadron Business Park, Plot No. 28,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase-II,
Pune – 411 057,
Maharashtra, India.
Ph. No.: +91 (20) 4027 7990
Fax No.: +91 (20) 6676 4480

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



Sales Offices

AMERICAS

286 Madison Avenue, 14th Floor,
New York, NY 10017,
United States of America.
Ph. No.:+1 212551-4150

1800 John F Kennedy Blvd,
3rd Floor, Philadelphia,
PA 19103, United States of America.
Ph. No.:+1 2672388800

EMEA

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

APAC

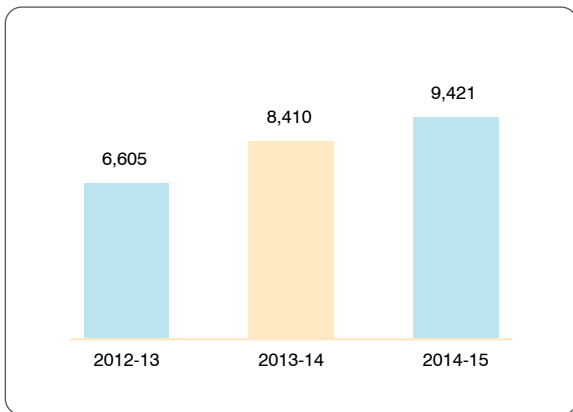
9 Battery Road,
#11-00 Straits Trading Building,
Singapore 049910.
Ph. No.:+65 (0) 6225 2988

Financial Highlights

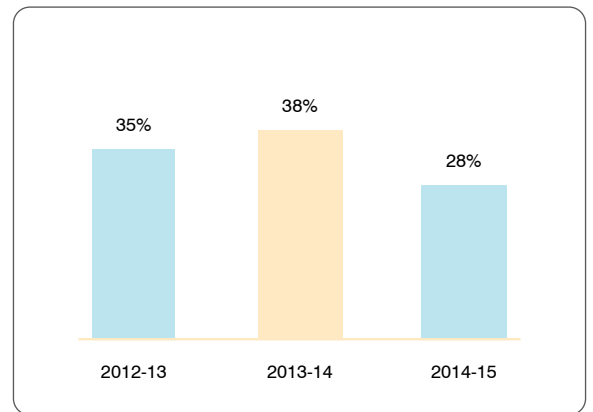
(Rupees in million)

Particulars	2012-13	2013-14	2014-15
Net Sales / Income from Operations	6,605.34	8,409.94	9,421.20
Other Income	-181.78	110.20	323.52
Earnings Before Interest, Depreciation, Taxes and Amortisation (EBITDA)	2,364.75	3,645.98	3,479.56
Tax Expenses	393.37	759.14	682.58
Profit After Tax (PAT)	1,716.02	2,556.56	2,296.76
Equity Share Capital	298.75	301.77	303.51
Reserves excluding Revaluation	4,084.53	5,587.75	6,845.18

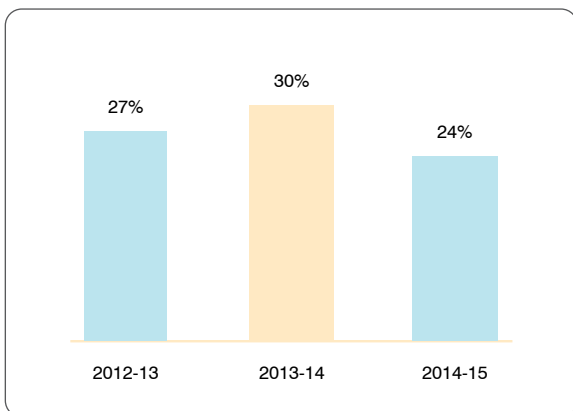
Operating Revenue (Rs. in million)



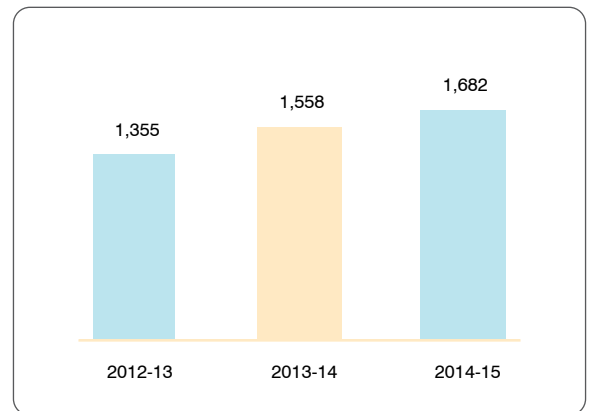
Operating Margin (%)



Profit After Tax (%)



Fixed Assets (Rs. in Million)



Chairman's Message

The Financial Year 2014-15 was a year of three major themes. The most notable of these was the firm's ongoing journey of 'Pivot to Product' – the strategy of upgrading end-to-end capabilities in a few, focused and highly resonant service lines. In the year, we added to senior leadership in these chosen areas, commenced overhauling delivery capability both in India and client locations and began organisational changes to support these new priorities. We continued deepening training and increased investments in our technology capabilities and platforms. So today, we are better than ever able to combine re-engineering, technology and people to deliver high quality, complex services and to leverage our multi-client relationships to create standardised services across the industry. We believe that this journey that we have embarked on will be critical to our long-term success by ensuring differentiation and dominance in our chosen areas of specialization.

This first theme leads to the second. 2015 was also the year of emerging clients – our non-top client portfolio. So whilst the USD revenue grew 11% YOY to USD 154 million – a watershed event for the firm – almost all of this revenue growth attributed to emerging clients, with growth in our top 5 muted. This reflects in major improvements in the key metrics, as today less than 67% of our firm's revenue attributes to the top 5 and emerging client revenue growth at 44% YOY is the fastest that we have witnessed in many years. In the year, we also added 24 clients, our largest new client addition in a year.

The wins reflected across all our businesses. Our Cable and Telecom business saw spectacular growth on the back of our customer care and technical operations services, and the increased adoption of low-cost

sourcing in the face of profitability, competition and regulatory challenges at our clients. Almost all of this growth came from new clients. The banking sector, client to our Financial Services business, continued to grapple with business and regulatory headwinds, as well as fundamental reshaping from 'Fintech'. This drove demand for our derivatives, data and compliance solutions, and resulted again, most notably, in outstanding growth in the revenue from new clients. Demand for content and commerce, data management and analysis services in our Digital Marketing business accelerated further, and here we saw the largest number of new logo acquisitions, helped by service portability across different industries. All in all, these are fantastic results that give us confidence that we are investing in the right places.

The final theme was one of inorganic growth. At the end of Financial Year 2014-15, we bought CLX – an Italian company specialising in creative and digital marketing services for the retail and luxury goods sector in Europe. This acquisition achieves many things for us, it adds to our client portfolio a sector previously absent, i.e., luxury, fills out our service portfolio for our digital business by adding content creation and digital asset management technology, strengthens our client and employee presence in Europe, provides us with out-of-India delivery and further diversifies away from North American and USD revenue. We see tremendous opportunity to sell native eClerx services to CLX clients and vice versa, and great complementarity across client sectors and geographic presence. We also feel optimistic about the timing of the purchase, given the current sentiment and valuations in Europe and feel this to be an excellent long-term investment.

All of this has meant that, of course, the firm has grown. We are now about 8,500 employees with 250 of these onshore, delivering high-end services in client locations. We add Verona and Phuket to Mumbai, Pune and Chandigarh for delivery, and Milan, Munich and Hamburg to Austin, London, New York, Philadelphia and Singapore for client coverage. We are proud of this new step that we take towards our ambition of becoming a truly global services provider.

Financial Year 2014-15 also saw further recognition from the industry. We were recognised in Deloitte's Technology Fast 500™ list of fastest-growing companies in Asia Pacific and we were one of only two Indian companies in the CIO 100 list for innovative IT. We won the QIMPRO award for process optimisation and our knowledge management efforts were once again recognised as we won the Most Admired Knowledge Enterprise (MAKE) award in both the Asia and India categories. Finally, Business Standard recognised us as the 'Star SME of the Year' at the annual Business Standard Awards – a tremendous recognition of our long-term performance and a notable win, given that the other six award categories were won by large and well-established companies.

eClerx Cares completed its first full year under the guidance of Deepa Kapoor, Independent Director who took ownership of our Corporate Social Responsibility (CSR) program last year. The central theme of our CSR efforts continues to be education, which includes vocational education for children of workers who have lost their livelihood, children who live in city slums and tribal children living in villages. This year, we funded seven mainstream NGO projects targeted at improving the lives

and future of underprivileged children – we picked NGOs like Amar Bharat Vidyapeeth, Samparc, Mukhtangan, LAHI and Magic Bus, which are generally within the periphery of our office locations to ensure better reach and control.

As part of employee engagement, we consciously increased the number of opportunities available to our employees to connect and interact with the kids we support as part of our direct funding. As part of 'A Learn and Fun Day at eClerx', we invited underprivileged children from one of our sponsored schools to spend a day at our office, had school kids perform at our annual event, organised football matches between the eClerx Sports Team and the Magic Bus Football Team and ran cleanliness drives, disaster relief drives, etc. All these engagement initiatives witnessed enthusiastic participation from our employees.

Finally, there was a record surge in payroll giving this year as a substantially higher number of employees chose to contribute to Nanhi Kali and CRY through our payroll giving program.

I am happy that the eClerx Cares initiative continues to be a great success and we will always give back to society in whatever little way we can.

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
Deepa Kapoor	Non-Executive Independent Director

Statutory Auditors

S. R. Batliboi & Associates LLP
14th Floor, The Ruby,
29th Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028
Maharashtra, India.

Internal Auditors

Aneja Advisory Private Limited
301, Peninsula Towers,
Peninsula Corporate Park,
Ganpat Rao Kadam Marg,
Lower Parel, Mumbai – 400 013
Maharashtra, India.

Chief Financial Officer

Rohitash Gupta

Company Secretary

Gaurav Tongia

Registered Office

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

Registrar & Transfer Agent

Karvy Computershare Private Limited.
Karvy Selenium Tower B, Plot 3132,
Gachibowli, Financial District, Nanakramguda,
Hyderabad, Andhra Pradesh.
Ph. Nos.: +91 (40) 67161569
Fax No.: +91 (40) 2342 0814
Email: balaji.reddy@karvy.com

Bankers

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

Directors' Report

Dear Members,

Your Directors are pleased to present their Fifteenth Annual Report along with the audited annual accounts for the financial year ended March 31, 2015.

1. FINANCIAL HIGHLIGHTS

Key aspects of Standalone Financial Performance / Operating Performance of the Company for the year ended March 31, 2015 are tabulated below:-

(Rupees in million)

Particulars	2014-15	2013-14
Income from Services	8,183.35	7,133.84
Other Income	318.14	157.63
Total Revenue	8,501.49	7,291.47
Operating Expenses	5,515.48	4,057.96
EBITDA	2,986.01	3,233.51
EBITDA%	35.12%	44.35%
Depreciation and goodwill amortization	285.67	143.28
Earnings before Exceptional Items, Interest, & Tax	2,700.34	3,090.23
Taxes	542.68	625.13
Net Profit after Tax	2,157.66	2,465.10
NPM%	25.38%	33.81%

Year in Retrospect

On a standalone basis the total income increased to Rs. 8,501.49 million from Rs. 7,291.47 million in the previous year at a growth rate of 14.71%. The EBITDA amounted to Rs. 2,986.01 million as against Rs. 3,233.51 million in the previous year. The Company earned Net Profit After Tax (PAT) of Rs. 2,157.66 million for the year as against Rs. 2,465.10 million during the previous year.

2. INFORMATION ON STATE OF AFFAIRS OF THE COMPANY

Information on operational and financial performance, etc., is provided in the Management Discussion and Analysis

Report, which is annexed to the Directors' 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 quantum of dividend if approved by the Members will be about Rs. 1,062 million while about Rs. 222 million will be paid by the Company towards dividend tax and surcharge on the same.

The Company had paid a dividend of Rs. 35/- per share (350%) for the year ended March 31, 2014.

The register of members and share transfer books will remain closed from Saturday, July 11, 2015 to Friday, July 17, 2015 (both days inclusive) for the purpose of ascertaining entitlement for the said final dividend. The Fifteenth Annual General Meeting of the Company is scheduled to be held on Friday, July 17, 2015.

4. PUBLIC DEPOSITS

During the year, your Company has not accepted any deposits within the meaning of the provisions of Section 73 of the Companies Act, 2013.

5. SUBSIDIARY COMPANIES

The Company has following subsidiaries as on March 31, 2015:

S. No.	Name of Subsidiary(ies)
1	eClerx Investments Limited (BVI)
2	eClerx LLC (U.S.A.)
3	eClerx Limited (U.K.)
4	eClerx Private Limited (Singapore)
5	Agilyst Inc. (U.S.A.)
6	Agilyst Consulting Private Limited (India), a subsidiary being the subsidiary of Agilyst Inc. (U.S.A.)
7	eClerx Investments (U.K.) Limited (U.K.)

Further, w.e.f. April 21, 2015, the following entities are also subsidiaries of the Company:

S. No.	Name of Subsidiary(ies)
1	CLX Europe S.P.A.(Italy) a step down subsidiary being the subsidiary of eClerx Investments (U.K.) Limited
2	Sintetic S.R.L. (Italy), Step-down subsidiary
3	CLX Media Solutions GmbH (Germany), Step-down subsidiary
4	CLX Europe Media Solutions Limited (U.K.), Step-down subsidiary

Further CLX Europe S.P.A. (Italy) holds about 49% in CLX Thai Company Limited (Thailand).

6. PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to Section 136 of the Companies Act, 2013, the Financial Statements including Consolidated Financial Statements, if any, along with relevant documents have been posted on the Company's website www.eClerx.com. The same 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.

A statement containing salient features of performance and financial position of each of the subsidiaries included in the financial statement is attached as Annexure - I to this Report in the prescribed format.

7. ACQUISITION OF CLX EUROPE S.P.A. (ITALY)

Your Company signed on March 31, 2015, a definitive agreement to acquire 100% of CLX Europe S.P.A. ('CLX') a joint stock limited liability company incorporated in 1969 under the laws of Italy, having its Registered Office at Via Dell' Artigianato, 8, 37135 Verona VR, Italy, through its overseas subsidiary eClerx Investments (U.K.) Limited, thereby making CLX a step-down subsidiary of eClerx Services Limited, India. The consideration for the acquisition, an amount not exceeding, INR 1,687.75

Million is/will be in all cash and funded from the Company's internal accruals. CLX creates, manages and delivers creative assets globally to the multi-channel market for luxury brands and major retailers. The accounts of CLX have not been consolidated with the Accounts of the Company as such because that even though the definitive agreement was signed on March 31, 2015 but the closing documents to effect the said acquisition were signed on April 21, 2015, i.e. post end of Financial Year 2014-15.

8. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Internal Financial Controls (IFC) as per explanation to Section 134(5)(e) of the Companies Act, 2013 are reviewed by your management and key areas are subject to various statutory, internal and operational audits based on periodic risk assessment. The findings of the audits are discussed with the management and key findings are presented before the Audit Committee for review of actionable items.

The review of the IFC, *inter-alia*, consists of the following three components of internal controls:

- A. Entity level controls;
- B. Key financial reporting controls; and
- C. Internal controls in operational areas.

9. INCREASE IN SHARE CAPITAL

Particulars	No. of shares	Amount in Rs.
Issued, subscribed and Paid-up Capital as on April 1, 2014	30,176,907	301,769,070
Add: Number of shares allotted during the year FY 2015	173,978	1,739,780
Issued, subscribed and Paid-up Capital as on March 31, 2015	30,350,885	303,508,850

10. STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai, [ICAI Registration No. 101049W] the Statutory Auditors of the Company, were appointed

by the Shareholders at their meeting held on July 10, 2014 for a period of 5 years i.e. upto conclusion of Nineteenth Annual General Meeting subject to ratification by Shareholders at every Annual General Meeting as per the provisions of the Companies Act, 2013 ('Act'). Pursuant to the Act, Members are requested to consider ratification of their appointment and authorise the Board of Directors including Audit Committee thereof to fix their remuneration for the Financial Year 2015-16. In this regard, the Company has received a Certificate from the Auditors to the effect that their appointment as Auditors continues to be in accordance with the provisions of the Act.

11. EXTRACT OF ANNUAL RETURN

Information as required under Section 134(3)(a) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 are given in the Annexure-II forming part of this report.

12. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

13. DIRECTORS

In accordance with the Articles of Association of the Company, V. K. Mundhra, [DIN:00282180] retire 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 V. K. Mundhra as required, *inter-alia*, in terms of Clause 49 of the Listing Agreement is included in this Annual Report. Further, the required proposal for re-appointment of the above Director at the forthcoming Annual General Meeting is included in the Notice convening this Annual General Meeting. V. K. Mundhra is not a key managerial personnel pursuant to the provisions of Companies Act, 2013.

During the year under review Nityanath Ghaneekar, Non-Executive Independent Director resigned with effect from July 1, 2014 due to personal reasons. Directors place on record, their sincere appreciation for the assistance and guidance provided by him during his tenure as Director of the Company.

14. DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received Certificate of Independence from all Independent Directors, *inter-alia*, pursuant to Section 149 of the Companies Act, 2013, confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company.

15. BOARD AND COMMITTEE EVALUATION

The Companies Act 2013, rules thereunder and the Listing Agreement provide that the Annual Report of the Company shall disclose the following:

- Manner in which formal performance evaluation of the Board, its Committees, and Individual Directors has been carried out; and
- Evaluation criteria.

To this effect, the Board of Directors appointed an external expert on Board evaluation, for facilitating and carrying out the said evaluation who carried out the review, analysis, and evaluation and submitted its report. This exercise, *inter-alia*, aimed at evaluation of the Board at a collective level and evaluation of individual board members, including peer review and self-assessment. The individual reports were submitted to respective directors whereas the Board level report was placed before the Nomination and Remuneration Committee as well as the Board of Directors, for review, requisite noting and action items.

The said review was carried out, based on pre-defined comprehensive checklist(s) covering evaluation criteria(s), *inter-alia*, modelled on the following factors:

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for candid communication and rigorous decision making;
- Board's focus on wealth finalises of shareholders;
- Board's ability to demand and foster higher performance;
- Business Continuity preparedness;
- Skill Set and mix thereof among Board members;
- Flow of information so as to enable informed opinions by the Directors;

- Adequacy of meetings of directors in terms of frequency as well as the time dedicated for discussions and deliberations.

The peer review checklist encouraged the Directors to share their feedback, suggestions and opinions frankly which were then collated and submitted to each of the directors for noting, information and requisite future action, as deemed fit.

On the same lines, review of committees of Board of Directors was also conducted based on pre-defined comprehensive checklist(s) covering evaluation criteria(s), *inter-alia*, modelled on the following factors:

- Contribution, control and counselling by the Committee on various matters;
- Qualitative comments / inputs;
- Deficiencies observed, if any;
- Qualification of members constituting the Committee;
- Attendance of Committee members in the respective meetings;
- Frequency of meetings.

In addition, the Chairman was also evaluated on the key aspects of his role.

The findings of this exercise were also placed before the Nomination and Remuneration Committee and the Board for review, evaluation and noting.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director and non-executive directors. The same was discussed in the subsequent Board Meeting that followed the Meeting of Independent Directors.

It is intended to continue with this practice going forward and explore to enhance the scope of this exercise, if and as deemed fit.

16. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place a detailed Nomination and

Remuneration Policy, which is also available on the website of the Company dealing with related matters. The Familiarisation program is undertaken as and when there is a new induction on the Board of the Company, which, *inter-alia*, covers the following:

- Introduction and meeting with other Directors on the Board and the Senior Management;
- Brief introduction about the business of the Company;
- Roles and responsibilities of directors;
- Extant Committees of Board of Directors;
- Meetings of Board and Committees, venue, generic dates and timings when such meetings are generally held and the Annual General Meeting of shareholders of the Company;
- The Codes of Conduct which are in place and applicable to the Directors;
- Remuneration payable to Directors pursuant to Shareholders approval to that effect;
- Liability Insurances taken by the Company to cover directors;

Further the Directors have access to Management to seek any additional information, clarification and details as may be required.

The Non-Executive Independent Directors of the Company were appointed/ re-appointed at the Annual General Meeting held on July 10, 2014. Their Letter of Appointment contained the requisite familiarisation details which has been posted on the website on <http://www.eClerx.com/Corporate%20Governance/Nomination%20and%20Remuneration%20policy.pdf>

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 and other applicable rules and regulations, the Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts for the Financial Year 2014-15, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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, 2015 and of the profit or loss 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, 2013 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;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. NO. OF MEETINGS OF THE BOARD

During the Financial Year 2014-15, 8 (Eight) Board Meetings were held as follows:

May 20, 2014	July 10, 2014	July 31, 2014
October 30, 2014	January 12, 2015	January 30, 2015
March 13, 2015	March 31, 2015	

19. AUDIT COMMITTEE

Composition of Audit Committee:

Name	Designation
Biren Gabhawala	Chairman
Pradeep Kapoor	Member
Anish Ghoshal	Member
PD Mundhra	Member

There were no such instances wherein the recommendations of the Audit Committee were rejected by the Board of Directors.

20. NOMINATION AND REMUNERATION POLICY

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and was approved by the Board of Directors vide its resolution dated July 31, 2014. The policy acts as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The aforesaid policy has also been posted on the Company's website on <http://www.eClerx.com/Corporate%20Governance/Nomination%20and%20Remuneration%20policy.pdf>

21. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to the provisions of the Companies Act, 2013 and Listing Agreement, the Company has in place Whistle Blower Policy to encourage all employees or any other person dealing with the Company to disclose any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large. This policy, *inter-alia*, also sets forth (i) procedures for reporting of questionable auditing, accounting, internal control and unjust enrichment matters and (ii) an investigative process of reported acts of wrongdoing and retaliation from employees, *inter-alia*, on a confidential and anonymous basis. The aforesaid policy has also been posted on the Company's website on <http://www.eClerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf>

22. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Particulars	Amount (Rs. in Million)
Loan	Nil
Guarantee	4.25
Investment	Please refer Notes to Standalone Financial Statements-Note No. 12

23. PARTICULARS OF TRANSACTIONS, CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of the transactions pursuant to the provisions of *inter-alia*, Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under. All the transaction(s) are in the ordinary course of business and at arms' length basis. Further details are also set out in the Notes to Standalone Financial Statements.

(Rs. in million)

Form No. AOC - 2								
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)								
Sr. No.	Name of Related party	Nature of Transaction	Relationship	Salient Terms	Duration	Date of approval by the Board	Transactions during the year	Outstanding Balance as at
							March 31, 2015	March 31, 2015
1	eClerx Limited	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014 / ongoing	516.24	115.73 Payable
		Expenses incurred by holding Company on behalf of subsidiary		N. A.			0.72	
		Expenses incurred by subsidiary on behalf of holding Company		N. A.			0.16	
2	eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014 / ongoing	922.69	92.66 Payable
		Expenses incurred by holding Company on behalf of subsidiary		N. A.			1.68	
		Amount received by holding Company on behalf of the subsidiary		N. A.			2.31	
3	Anjan Malik	Dividend	Director	N. A.	FY2013-14	May 20, 2014	277.28	--
4	P D Mundhra	Remuneration	Executive Director	N. A.	5 years (April 1, 2010 to March 31, 2015)	June 30, 2009	22.93	--
		Dividend			FY2013-14	May 20, 2014	277.13	
5	V. K. Mundhra	Dividend	Director	N. A.	FY2013-14	May 20, 2014	1.13	--
6	Rohitash Gupta	Remuneration	Key Management Personnel	N. A.	Ongoing / FY2013-14	Ongoing	13.19	--
		Dividend				May 20, 2014	2.73	
7	Gaurav Tongia	Remuneration	Key Management Personnel	N. A.	Ongoing / FY2013-14	Ongoing	3.06	--
		Dividend				May 20, 2014	0.02	
8	Duncan Stratton & Company Limited	Rent and Electricity	Common Director	Leave and License Agreement for a period of 3 years	36 months (October 1, 2014 to September 30, 2017)	October 30, 2014	0.06	--
9	eClerx Private Limited	Sales and Marketing Services	Wholly owned Subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014 / ongoing	82.65	9.92 Payable
		Expenses incurred by holding Company on behalf of subsidiary					N. A.	
10	Agilyst Consulting Private Limited	Expenses incurred by the Company on behalf of subsidiary	Step-down Subsidiary	N. A.	N. A.	May 20, 2014	0.40	0.02 Receivable
		Purchase of Assets		N. A.	FY2015		0.05	--
For and on behalf of the Board of Directors For eClerx Services Limited								
Place: Mumbai Date: May 25, 2015							V. K. Mundhra Chairman	

24. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, and Rules thereunder, a Secretarial Audit Report for the FY 2014-15 in Form MR 3 given by M/s. Pramod Shah & Associates, Company Secretary in practice is attached as Annexure-III with this report.

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

Information as required, *inter-alia*, under Section 134(3)(m) of the Companies Act, 2013, is given in the Annexure IV forming part of this report.

26. ENTERPRISE WIDE RISK MANAGEMENT SYSTEM AND RISK MANAGEMENT POLICY

Your Company has in place a well-defined Enterprise Wide Risk Management ('EWRM') framework and Risk Management Policy 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.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with requirements, *inter-alia*, of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Compliance Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2014-15:

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

28. CORPORATE SOCIAL RESPONSIBILITY

Brief outline on the CSR Policy

The Company continues to earmark a corpus every year for CSR activities. The eClerx Cares council under the guidance of CSR Committee 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 organisation heartily contributing to making a difference either through donating clothes and other material for people in distress, volunteering their time in training, running marathons for a cause, or engaging with children from schools we sponsor through our corporate funding.

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's employees participated in the Mumbai Marathon pledging their support to the cause of Child Rights and Education;
- Annual Learn-and-Fun event for the students of schools sponsored through our corporate funding;
- This year eClerx Cares in a tie up with Raahat helped by sending relief for the flood victims of Jammu and Kashmir with employees whole-heartedly contributing with food, clothing, sanitation material, etc;
- Participated in a Swachh Bharat initiative, a national campaign rolled out by Honorable Prime Minister of the Government of India.

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 U.S.A. and U.K., the Company supports numerous child education and health-related causes for Cancer, etc.

Other Details:

a. Corporate Social Responsibility Policy:

The Company has in place Corporate Social Responsibility Policy.

b. Web-link of the CSR Policy and projects or programs

CSR Policy is available on the website of the Company <http://www.eClerx.com/Corporate%20Governance/eClerx%20CSR%20policy%20final%20-Jan%202015%20BM.pdf>.

c. Composition of CSR Committee

Name	Designation
Deepa Kapoor	Chairperson
Anish Ghoshal	Member
Biren Gabhawala	Member
PD Mundhra	Member

d. Average Profit Before Tax for last 3 Financial Years

Financial Year	Average Net Profit (Rs. In Million)
2011-12	1,954.47
2012-13	1,906.34
2013-14	3,090.23
TOTAL	6,951.04

e. Prescribed CSR Expenditure (2% of the amount as in item (d) above):- Rs. 46.34 Million

f. Details of CSR spent during the financial year

- (a) amount spent during Financial Year: Rs. 46.37 Million
- (b) amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Projects or activities identified	Sector in which the project is covered	Projects or programs 1. Local Area or other 2. Specify the State and district where projects or program was undertaken	Amount outlay (budget) project or program wise (Rs. in million)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overhead (Rs. in million)	Cumulative expenditure upto March 31, 2015 (Rs. in million)	Amount spent: Direct or through implementing agency *
1	Parivaar – Amar Bharat Vidyapeeth	Child education	Other – Bengal	3.50	3.50	3.50	Through Implementing Agency
2	CRY – KMAVGS	Child education and woman empowerment	Other – Maharashtra	2.60	2.60	2.60	Through Implementing Agency
3	Nanhi Kali – Sheopur	Child education	Other – Madhya Pradesh	1.65	1.65	1.65	Through Implementing Agency
4	Caring Friends – Samparc	Child education	Other – Maharashtra	13.10	13.09	13.09	Through Implementing Agency
5	Muktangan	Child education	Local Area – Mumbai	8.80	8.80	8.80	Through Implementing Agency
6	Magic Bus	Child education	Other – Maharashtra	2.70	2.71	2.71	Through Implementing Agency
7	DASRA – LAHI (Lend a Hand India)	Child education	Other – Maharashtra	7.11	7.11	7.11	Through Implementing Agency
8	PMNRF – J&K Flood Relief	Prime Ministers' National Relief Fund	Other – Maharashtra	2.48	2.48	2.48	Direct
9	Swachh Bharat – Swachh Vidyalaya Campaign	Swachh Bharat	Other – Maharashtra	2.48	2.48	2.48	Direct
10	Magic Bus India Foundation	Child education	Other – Maharashtra	0.68	0.68	0.68	Through Implementing Agency
11	Muktangan – Paragon Charitable Trust	Child education	Local Area – Mumbai	0.34	0.34	0.34	Through Implementing Agency
12	CRY	Child education and woman empowerment	Local Area – Mumbai	0.33	0.33	0.33	Through Implementing Agency
13	K.C. Mahindra Education Trust A/C Nanhi Kali	Child education	Other – Madhya Pradesh	0.27	0.27	0.27	Through Implementing Agency
14	Kaveri Vanitha Sevashrama	Child education	Other – Bangalore	0.15	0.15	0.15	Through Implementing Agency
15	United Way	Child education and woman empowerment (Administrative expenses)	Local Area – Mumbai	0.15	0.18	0.18	Through Implementing Agency
TOTAL				46.34	46.37	46.37	

Details of implementing Agency(ies):*Child Rights and You (CRY)**

- eClerx wholly funds the KMAVGS initiative run by CRY in Maharashtra;
- Providing education, healthcare and spreading awareness on child rights.

Nanhi Kali

- eClerx supports education for underprivileged girls in Sheopur district of Madhya Pradesh.

Parivaar

- eClerx works with Parivaar to fund Amar Bharat Vidyapeeth in Bengal.

Caring Friends – SAMPARC

- eClerx funds support for rural and tribal underprivileged children of Mulshi village;
- Project to support SAMPARC school and hostel, Bhambarde;
- Project for Higher Education Support for senior girls of SAMPARC;
- Special education support for the children of Shel-Pimpalgaon and Poyndal Balgram;
- Vocational training support to the rural school drop-outs;
- Capital expenses Project - fencing of girls children's home (Orphanage) Bhaje and construction of girls hostel at Bhambarde;
- Construction of Girls Toilet at Maval & Mulshi Taluka Dist Pune, under the Swachh Bharat Swachh Vidyalaya Scheme.

Sanskriti Samvardhan Mandal

- Construction of Toilet Complex with Biogas plant for Shri Chatrapati Shivaji High School at Sagroli, Dist. Nanded, under the Swachh Bharat Swachh Vidyalaya Scheme.

Magic Bus

- eClerx funds the Child education Program by Magic Bus which target to holistically develop the child and implement the behavior change leading to development of positive attitude and behavior toward education, gender equality, health elements of the children's school cycle.

Muktangan

- eClerx wholly funds 1 school (pre-school to Std. VII) in Mumbai.

Dasra- LAHI

- eClerx funds proposal to provide job and life skills training to 6000 young boys and girls as part of secondary school curriculum under 'Project Swadheen' in high schools all over Maharashtra including Mumbai, Thane and Raigad district.

Kaveri Vanitha Sevashrama

- eClerx funds a part of the orphanage 'KVS' at Hesaraghatta village about 30 kms from Bangaluru city, run by 60 year old Sarojamma for the past more than 40 years and houses about 50 orphans.

We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR Policy and in compliance with CSR objectives and Policy of the Company.

	PD Mundhra	Deepa Kapoor
Mumbai	Executive Director	Chairperson
May 25, 2015		CSR Committee

Further, details of the implementing agencies can be accessed on the website of the Company, www.eClerx.com

29. AWARDS AND ACCOLADES

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

- recognised as the 'Star SME of the Year' in the small and medium enterprise (SME) category at the Business Standard Awards for Corporate Excellence;
- recognised in the Deloitte Technology Fast 500™ Ranking as one of the 500 fastest-growing technology companies in the Asia Pacific, based on the percentage revenue growth over the last three financial years;
- won the 2014 Most Admired Knowledge Enterprise (MAKE) Asia award for the second time;
- won the QIMPRO award for 2014, in the Process Optimization category;
- named among top 10 nominees in the Small Cap range for the RB Investor Communication award;

- named a 2014 CIO 100 Award Winner;
- recognised in the 2014 IAOP Global Outsourcing 100 ranking and included in their 'Best 10 Companies – Marketing Services' and the 'Best 20 Companies – Financial Management Services' sub-lists for the second time in a row;
- featured in Outlook Business' 'Fastest Growing Companies';
- won the Knowledge Management Leadership award;
- won the 'Use of Technology for Operational Excellence' BPO Excellence award at the 2014 Asia BPO Summit;
- won the NetApp Innovation Awards 2015;
- recognised in ReQ Rangers in the category 'Innovation – Product or Service' in the Social Innovation Awards, endorsed by World CSR Congress;
- won the Use of Technology for Operations Excellence' at the BPO Excellence Awards – 2015.

30. REMUNERATION DETAILS PURSUANT TO COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND OTHER APPLICABLE PROVISIONS

- Details of the ratio of the remuneration of each director to the median employee's remuneration (approx):- Executive Director: 1:84; Non-Executive Non Independent Director: NA; Non-Executive Independent Director: 1:4 (excluding sitting fees)
- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:- Executive Director: 0%, Non Executive Independent Directors: 50%, Chief Financial Officer: 12% and Company Secretary: 13.5%;
- The percentage increase in the median remuneration of employees in the financial year:- 7%;
- The number of permanent employees on the rolls of the Company:- On rolls employee count as on March 31, 2015 was 6,687;
- The explanation on the relationship between average increase in remuneration and company performance:-

Average increase in remuneration is decided based on salary benchmarking done with industry peers to ensure retention of experienced employees. Company performance has indirect linkage to overall compensation of senior management;

- Comparison of the remuneration of the Key Managerial Personnel against the performance of the company (KMP includes ED, CFO and CS):- ESOPs granted to CFO and CS have company performance linked vesting conditions i.e. lesser number of options vest if the company does not do well and /or is perceived to have not done well. ED has a significant variable component which is determined by Board based on various financial metrics of the company including revenue, profitability and reduction of risk. Further the details of performance of the Company are elaborated in this Annual Report.
- Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

	March 31 2015	March 31 2014	At the time of IPO
Price Earning Ratio			
Basic	20.91	12.46	NA
Diluted	21.39	12.81	NA
Share Price (Rs.)	1,585.55	1,061.05	315
Number of outstanding Shares	30,350,885	30,176,907	18,868,849
Market Cap (Rs. Mln.)	48,122.85	32,019.21	5,943.69
Increase over the IPO (%)*		655.02%	

*The Company issued bonus shares in the ratio of one Equity Share for every two Equity Shares of Rs. 10 each held in July 2010.

- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and reasons for any

exceptional circumstances for increase in managerial remuneration:- 10.5% for employees other than senior managerial personnel v/s 10.3% percentile increase in the senior managerial remuneration. The increase is determined based on salary benchmarking done with industry peers to ensure retention of experienced employees. Company performance has indirect linkage to overall compensation of senior management;

- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:- No such employee (excluding ESOP gain);
- The key parameters for any variable component of remuneration availed by the directors:- There is no variable component for Non Executive Independent Directors. The Non Executive Non Independent Directors are not paid any remuneration by the Company. As regards the remuneration of Executive Director, pursuant to the corresponding shareholders resolution, annual performance bonus is decided by

the Board of Directors, on merit based and takes into account the Company's performance while factoring key parameters like:

- Profitability (PAT, PBT, OPM)
- Return on shareholders investment
- Statutory compliances
- Revenue and revenue quality
- Salary details of employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 60 Lakhs are given in the Annexure-V forming part of this report.
- Salary details of an employee employed for a part of the financial year, was in receipt of remuneration for any part of that year which, in the aggregate, was not less than Rs. 5 Lakhs per month are given in the Annexure-V forming part of this report.
- The Company affirms that the remuneration is as per the remuneration policy of the Company.

Managerial Remuneration details:

Particulars	Executive Director	Non-Executive & Independent Director	Non-Executive Director
All elements of remuneration package such as salary, benefits, stock options, pension etc. of all Directors	Annual Gross Salary: Within the range between Rs. 13,800,000 to Rs. 27,600,000 per annum with annual increments effective 1st April each year as may be decided by the Board, based on merits and taking into account the Company's performance for the year. The benefits, perquisites and allowances will be determined by the Board of Directors from time to time.		Nil
Details of fixed component and performance linked incentives along with performance criteria	Basic Salary: Rs 13.80 Million p.a. Annual Performance Bonus: Rs 11.73 Million The actual entitlement out of Annual Performance Bonus will be decided by the Board of Directors and will be merit based and take into account the Company's performance while factoring key parameters like: - Profitability (PAT, PBT, OPM) - Return on shareholders investment - Statutory compliances - revenue and revenue quality	Payment of Remuneration by way of commission of Rs. 12 Lacs per director p.a. Remuneration will be paid in proportion to the term served in the Company.	Nil
Service contract, notice period, severance fees	The Tenure will be subject to termination by 3 months prior notice in writing on either side.	Pursuant to the provisions of the Companies Act, 2013 and other relevant regulations	
Stock option details	NA	No such options were granted in FY 2014-15	NA

31. 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 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 also to employees of its subsidiaries.

The following table sets forth the particulars of stock options granted under ESOP 2008 and ESOP 2011 as on March 31, 2015:-

Particulars	ESOP 2008	ESOP 2011
Options granted during the year	Nil	618,288
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 31.03.2015 (net)	182,969	Nil
Options exercised and allotted during the year	173,978	Nil
The total number of equity shares arising as a result of exercise of options	173,978	Nil
Options lapsed/forfeited /expired during the year	227,033	159,881
Variation of terms of options	Nil	Nil
Money realised during Financial Year 2014-15 by exercise of options (Nominal Value)	1,739,780	Nil
Total number of options in force	182,969	1,478,235

Particulars	ESOP 2008	ESOP 2011
Details of options granted to Employee:	As per statement attached	As per statement attached
(i) Senior Managerial Personnel		
(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more	Fiscal 2009-10, Fiscal 2010-11 and Fiscal 2011-12:- Scott Houchin	Fiscal 2012-13:- Scott Houchin Fiscal 2013-14 and Fiscal 2014-15:- 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. 69.64 for the year ended on March 31, 2015	
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. 2,090.91 million Diluted EPS : Rs. 67.69 (post adjustment for aforesaid impact on profits)	
Vesting Schedule	Options granted under the respective ESOP Scheme(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, 2015:

ESOP Scheme	Name of key managerial personnel	No. of options granted*	No. of options exercised	No. of options outstanding*
ESOP 2008	Hoshi Mistry	57,000	47,700	1,300
	Rohitash Gupta	68,500	49,000	0
	Sandeep Dembi	42,000	19,000	15,000
ESOP 2011	Hoshi Mistry	27,000	0	27,000
	Rohitash Gupta	27,000	0	27,000
	Sandeep Dembi	27,000	0	27,000
	Sanjay Kukreja	30,335	0	30,335
	Chitra Padmanabhan	20,000	0	20,000
	Amit Bakshi	20,000	0	20,000

Details of options granted to senior managerial persons of foreign subsidiaries of your Company as on March 31, 2015:-

ESOP Scheme	Name of key managerial personnel	No. of options granted*	No. of options exercised*	No. of options outstanding*
ESOP 2008	John Stephens	16,000	1,999	6,001
	Scott Houchin	150,000	75,000	41,667
ESOP 2011	Scott Houchin	82,000	0	82,000
	John Stephens	33,000	0	33,000
	Alan Paris	43,000	0	43,000
	Robert Horan	27,000	0	27,000

* The above options are linked with the performance criteria and the actual number of options which vest could be considerably lower if the respective performance criteria is/are not met.

The difference between the intrinsic value of the shares underlying the options granted on the date of grant of option and the option price is expensed as Employees Compensation over the period of vesting. Accordingly, the impact of the same was Rs. (0.41) million on the Statement of profit and loss account for the year ended on March 31, 2015 as employee compensation cost.

The equity shares 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.

32. 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, 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's premises in Mumbai.

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 and 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 managers understand inter-cultural differences as 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 January 2015, the Company won the MAKE (Most Admired Knowledge Enterprises) Asea award for 2014 for the second time alongside some of India's largest IT conglomerates.

33. CORPORATE GOVERNANCE

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

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.

34. SUCCESSION PLANNING

The Company has succession plan in place for orderly succession for appointments to Board and to senior management.

35. 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 after considering relevant provisions of the Information Technology Act, 2000 and Companies Act, 2013 and rules made thereunder ('the Act').

Pursuant to provisions of Act, service of documents to members can be made by electronic mode on the email address provided for the purpose of communication. If a member has not registered an email address, other permitted modes of service would continue to 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.

This initiative will ease the burden on corporates (and the environment) of sending physical documents such as notices, annual reports etc. The members 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.

38. 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
eClerx Services Limited**

V. K. Mundhra
Chairman

Place: Mumbai
Date: May 25, 2015

Annexure-I

Statement pursuant to Section 129(3) of the Companies Act, 2013 and the rules made thereunder, relating to subsidiary companies for the Financial Year ended on March 31, 2015

(Rs. in million)

Name of Subsidiary	eClerx Limited (U.K.)	eClerx LLC (U.S.A.)	eClerx Private Limited (Singapore)	eClerx Investments Limited (BVI)	Agilyst Inc. (U.S.A.)	Agilyst Consulting Private Limited (India)	eClerx Investments Limited (U.K.)#
Reporting currency	GBP	USD	SGD	GBP	USD	INR	GBP
Exchange rate as on March 31, 2015	92.46	62.59	45.50	92.46	62.59	-	92.46
Holding Company's interest (in equity shares)	100%	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	-
Issued and Subscribed share capital	0.01	0.01	0.01	^1,257.02	1.83	0.10	-
Reserves	119.49	93.86	23.27	(137.51)	318.24	266.02	-
Total Assets	211.13	275.43	28.26	1,119.51	440.44	340.78	-
Total Liabilities	91.63	181.56	4.99	-	120.37	74.66	-
Investment	-	-	-	1,117.86	0.16	77.60	-
Turnover	544.23	975.03	88.55	-	1,152.10	776.53	-
Profit/(Loss) before Taxation	38.17	46.40	6.29	(0.37)	201.81	106.47	-
Provision for Taxation	8.98	20.39	0.52	-	74.96	35.06	-
Profit after Taxation	29.18	26.01	5.77	(0.37)	126.85	71.41	-
Proposed Dividend	-	-	-	-	-	-	-

* Held by eClerx Investments Limited.

** Held by Agilyst Inc.

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

eClerx Investments (UK) Limited was incorporated on March 14, 2015.

Annexure-II

Form No. MGT-9
Extract of Annual Return

**As on the financial year ended on March 31, 2015 of
eClerx Services Limited**

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L72200MH2000PLC125319
(ii)	Registration Date	March 24, 2000
(iii)	Name of the Company	eClerx Services Limited
(iv)	Category/Sub-Category of the Company	Public Company Company having Share Capital
(v)	Address of the Registered office and contact details	Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai - 400023, India. Phone: +91 (22) 6614 8301 Fax : +91 (22) 6614 8655 Email id: investor@eClerx.com Website: www.eClerx.com
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Andhra Pradesh. Phone: + 91 (40) 67161569 Fax : +91 (40) 2342 0814 Email id: balaji.reddy@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

	NIC Code of the Product/ service		% to total turnover of the company
	Group	Class	
1) KNOWLEDGE PROCESS OUTSOURCING	631	6311	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of The Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	eClerx Investments Limited (BVI)	NA	Wholly owned subsidiary	100%	Section 2(87)
2	eClerx LLC (U.S.A.)	NA	Wholly owned subsidiary	100%	Section 2(87)
3	eClerx Limited (U.K.)	NA	Wholly owned subsidiary	100%	Section 2(87)
4	eClerx Private Limited (Singapore)	NA	Wholly owned subsidiary	100%	Section 2(87)
5	Agilyst Inc.(U.S.A.)	NA	Step down subsidiary		Section 2(87)
6	Agilyst Consulting Private Limited (India)	U74140CH2008PTC031201	Step down subsidiary		Section 2(87)
7	eClerx Investments (U.K.) Limited (U.K.)*	NA	Wholly owned subsidiary		Section 2(87)
8	CLX Europe S.P.A. (Italy)**	NA	Step down subsidiary		Section 2(87)
9	CLX Europe Media Solution GmbH (Germany)**	NA	Step down subsidiary		Section 2(87)
10	Sintetic S.R.L. (Italy)**	NA	Step down subsidiary		Section 2(87)
11	CLX Thai Co. Limited (Thailand)**	NA	Associate Company		Section 2(6)
12	CLX Europe Media Solution Limited (U.K.)**	NA	Step down subsidiary		Section 2(87)

* Incorporated on March 14, 2015

** Became subsidiary(ies)/associate of the Company w.e.f. April 21, 2015

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

i) Category-wise Share Holding

Sl No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2014				No. of Shares held at the end of the year i.e. March 31, 2015				% change in share holding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A PROMOTER AND PROMOTER GROUP										
1 INDIAN										
a	Individual /HUF	7,964,436	0	7,964,436	26.39	7,964,436	0	7,964,436	26.24	0.15
b	Central Government(s)	0	0	0	0	0	0	0	0	-
c	State Government(s)	0	0	0	0	0	0	0	0	-
d	Bodies Corporate	0	0	0	0	0	0	0	0	-
e	Banks/Financial Institutions	0	0	0	0	0	0	0	0	-
f	Others	0	0	0	0	0	0	0	0	-
SUB- TOTAL A(1)		7,964,436	0	7,964,436	26.39	7,964,436	0	7,964,436	26.24	0.15

SI No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2014				No. of Shares held at the end of the year i.e. March 31, 2015				% change in share holding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2 FOREIGN										
a	NRIs - Individuals	7,946,683	0	7,946,683	26.33	7,946,683	0	7,946,683	26.18	0.15
b	Other - Individuals	0	0	0	0	0	0	0	0	-
c	Bodies Corporate	0	0	0	0	0	0	0	0	-
d	Banks/Financial Institutions	0	0	0	0	0	0	0	0	-
e	Any Others	0	0	0	0	0	0	0	0	-
	SUB-TOTAL A(2)	7,946,683	0	7,946,683	26.33	7,946,683	0	7,946,683	26.18	0.15
	TOTAL A=A(1)+A(2)	15,911,119	0	15,911,119	52.73	15,911,119	0	15,911,119	52.42	0.30
B PUBLIC SHAREHOLDING										
1 INSTITUTIONS										
a	Mutual Funds /UTI	3,354,664	0	3,354,664	11.12	3,465,433	0	3,465,433	11.42	(0.30)
b	Financial Institutions /Banks	3,274	0	3,274	0.01	61,022	0	61,022	0.20	(0.19)
c	Central Governments	0	0	0	0	0	0	0	0	-
d	State Government(s)	0	0	0	0	0	0	0	0	-
e	Venture Capital Funds	0	0	0	0	0	0	0	0	-
f	Insurance Companies	0	0	0	0	0	0	0	0	-
g	Foreign Institutional Investors	7,963,173	0	7,963,173	26.39	8,253,548	0	8,253,548	27.19	(0.80)
h	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	-
i	Others	0	0	0	0	0	0	0	0	-
	SUB-TOTAL B(1)	11,321,111	0	11,321,111	37.30	11,780,003	0	11,780,003	38.81	(1.29)
2 NON-INSTITUTIONS:										
a Bodies Corporate										
i)	Indian	456,429	0	456,429	1.51	685,746	-	685,746	2.26	(0.75)
ii)	Overseas	0	0	0	0	0	0	0	0	-

SI No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2014				No. of Shares held at the end of the year i.e. March 31, 2015				% change in share holding during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b	Individuals									-
i)	Individuals holding nominal share capital upto Rs.1 lakh	1,132,312	8	1,132,320	3.75	1,025,058	38	1,025,096	3.38	0.37
ii)	Individuals holding nominal share capital in excess of Rs.1 lakh	1,191,559	0	1,191,559	3.95	790,342	0	790,342	2.60	1.35
c	Others									
i)	Non Resident Indians	133,372	0	133,372	0.44	136,722	0	136,722	0.45	(0.01)
ii)	Clearing Members	28,377	0	28,377	0.09	19,757	0	19,757	0.07	0.02
iii)	Trusts	2,570	0	2,570	0.01	2,100	0	2,100	0.01	0.00
iv)	Qualified Foreign Investor	50	0	50	0.00	-	0	-	-	0.00
	SUB-TOTAL B(2)	2,944,669	8	2,944,677	9.75	2,659,725	38	2,659,763	8.76	0.98
	TOTAL B=B(1)+B(2)	14,265,780	8	14,265,788	47.28	14,439,728	38	14,439,766	47.58	(0.30)
	TOTAL (A+B)	30,176,899	8	30,176,907	100.00	30,350,847	38	30,350,885	100.00	0.00
C	Shares held by custodians, against which Depository Receipts have been issued									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	-
	Public	0	0	0	0	0	0	0	0	-
	GRAND TOTAL (A+B+C) :	30,176,899	8	30,176,907	100.00	30,350,847	38	30,350,885	100.00	0.00

ii) Shareholding of Promoters

SI No.	Shareholder's Name	No. of Shares held at the beginning of the year i.e. April 1, 2014			No. of Shares held at the end of the year i.e. March 31, 2015			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anjan Malik	7,922,250	26.25	0	7,922,250	26.10	0	(0.15)
2	Priyadarshan Mundhra	7,917,862	26.24	0	7,917,862	26.09	0	(0.15)
3	Vijay Kumar Mundhra	32,287	0.11	0	32,287	0.11	0	NA
4	Pawan Malik	24,433	0.08	0	24,433	0.08	0	NA
5	Supriya Modi	14,062	0.05	0	14,062	0.05	0	NA
6	Shweta Mundhra	225	0.00	0	225	0.00	0	NA
	TOTAL	15,911,119	52.73	0	15,911,119	52.42	0	

(iii) **Change in Promoters' Shareholding (please specify, if there is no change): There was no change in the Promoter shareholding during FY 14-15.**

Sl. No.	No. of Shares held at the beginning of the year i.e. April 1, 2014		Cumulative Shareholding at the end of the year i.e. March 31, 2015	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
There was no change in the Promoters' shareholding during the Financial Year 2014-15.				
At the End of the year				

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. April 1, 2014		Cumulative Shareholding at the end of the year i.e. March 31, 2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Matthews India Fund	Nil	Nil	23,39,076	7.71
2.	Fidelity Puritan Trust	1,175,000	3.89	13,50,000	4.45
3.	Reliance Capital Trustee Co. Limited	Nil	Nil	734,845	2.43
4.	HDFC Trustee Company Limited	608,000	2.01	592,836	1.95
5.	ICICI Prudential Value Discovery Fund	558,234	1.85	558,234	1.84
6.	Saif Advisors Mauritius Limited	285,905	0.95	441,575	1.45
7.	Pyramis Global Advisors Trust	Nil	Nil	414,444	1.37
8.	Franklin India Smaller Companies Fund	74,390	0.25	300,759	0.99
9.	Franklin Templeton Mutual Fund	210,000	0.7	292,000	0.96
10.	National Westminster Bank PLC As Trustee of the Jupiter India Fund	Nil	Nil	285,000	0.94

* The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. The shareholding is as per information received from the RTA.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Details For Each of the Directors and KMP including Benpos date	Shareholding at the beginning of the year i.e. April 1, 2014		Cumulative Shareholding at the end of the year i.e. March 31, 2015	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	V. K. Mundhra - Chairman	32,287	0.11	32,287	0.11
2.	PD Mundhra - Executive Director	79,17,862	26.24	79,17,862	26.08
3.	Anjan Malik - Non Executive Director	79,22,250	26.25	79,22,250	26.10
4.	Pradeep Kapoor - Non Executive Independent Director	12,750	0.04	-	-
	Sale of 764 Shares on 28-11-2014	11,986	0.04	-	-
	Sale of 100 Shares on 05-12-2014	13,886	0.04	-	-
	ESOP 1,750 on 31-01-2015	-	-	13,636	0.04
5.	Anish Ghoshal - Non Executive Independent Director	105	0.00	-	-
	Sale of 104 Shares on 20-06-2014	1	0.00	-	-
	ESOP 2,000 on 21-12-2014	2,001	0.01	-	-
	Sale of 2,000 Shares on 25-11-2014	-	-	1	0.00
6.	Biren Gabhawala - Non Executive Independent Director	-	-	-	-
	ESOP 4,000 on 21-06-2014	-	-	4,000	0.01
7.	Vikram Limaye - Non Executive Independent Director	7,106	0.02	-	-
	Sale of 7,106 Shares on 23-05-2014	-	-	-	-
8.	Alok Goyal - Non Executive Independent Director	-	-	-	-
9.	Deepa Kapoor - Non Executive Independent Director	-	-	-	-
10.	Rohitash Gupta - Chief Financial Officer (KMP)	71,000	0.24	-	-
	ESOP 7,000 on 20-06-2014	78,000	0.26	-	-
	Sale of 8,000 shares on 08-08-2014	-	-	70,000	0.23
11.	Gaurav Tongia - Company Secretary (KMP)	-	-	-	-
	ESOP 600 shares on 27-06-2014	-	-	600	0.00

V. INDEBTEDNESS

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

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

The Company has not taken any loan(s), as such.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the FY 2014-15:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager PD Mundhra	Total Amount
1	Gross salary		
a.	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	22.93 million	22.93 million
b.	Value of perquisites u/s 17(2) Income Tax Act, 1961		
c.	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
	Commission		
	- as % of profit		
	- Others-Annual Performance Bonus		
	Others, please specify	-	-
	TOTAL (A)	22.93 million	22.93 million
	Ceiling as per the Act	Within 5 % of the net profit.	

B. Remuneration to Non-Executive independent Director

Sr. No.	Particulars of Remuneration	Pradeep Kapoor	Anish Ghoshal	Vikram Limaye	Biren Gabhawala	Alok Goyal	Nityanath Ghanekar*	Deepa Kapoor	Total
1	Gross salary								
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Rs. in million)	-	-	-	-	-	-	-	-
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-	-
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-
2.	Stock Option (gain upon exercise of stock option) (Rs. in million)	1.16	1.33	-	2.12	-	-	-	4.61
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission								
a.	as % of profit	1.20	1.20	1.20	1.20	1.20	0.20	1.20	7.40
b.	Others, specify (Rs. in million)	-	-	-	-	-	-	-	-
5.	Others- Sitting Fees	0.14	0.16	0.12	0.18	0.14	0.02	0.16	0.92
	TOTAL (Rs. in million)	2.50	2.68	1.32	3.50	1.34	0.22	1.36	12.93

* Resigned w.e.f July 1, 2014

** No remuneration is paid to V. K. Mundhra and Anjan Malik, Non Executive Director(s).

C. Remuneration to Key Managerial Personnel Other Than MD/ WTD/Manager

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO Rohitash Gupta	Company Secretary Gaurav Tongia	
1	Gross salary			
a.	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (Rs. in million)	9.03	2.77	11.80
b.	Value of perquisites u/s 17(2) Income-tax Act, 1961	Please refer (2) below		
c.	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option (gain upon exercise of stock option) (Rs. in million)	4.16	0.29	4.45
3.	Sweat Equity	-	-	-
4.	Commission			
a.	as % of profit			
b.	Others, specify (Rs. in million)	-	-	-
5.	Others, please specify	-	-	-
	TOTAL (Rs. in million)	13.19	3.06	16.25

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment				Not Applicable	
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure-III

Secretarial Audit Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
eClerx Services Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by eClerx Services Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of eClerx Services Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period of Audit, all the decisions in the Board meetings were carried out unanimously.

We have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as listed in Annexure I.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines (as mentioned above and listed in Annexure I).

We further report that during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

Pramod Shah-Partner
Pramod S. Shah & Associates
FCS No.: 334
C P No.: 3804

Place : Mumbai

Date: May 08, 2015

ANNEXURE I

1. Employees' Provident Fund and Miscellaneous Provisions Act, 1952
2. Professional Tax Act, 1975 and Rules
3. Payment of Gratuity Act, 1972
4. Apprentices Act, 1961
5. Contract Labour (R&A) Act, 1970
6. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
7. Employees State Insurance Act, 1948
8. Equal Remuneration Act, 1976
9. Minimum Wages Act, 1948
10. Payment of Bonus Act, 1965
11. Shop and Establishment Act, 1948
12. Income Tax Act, 1961
13. Finance Act, 1994

Annexure-IV

Particulars pursuant to the Companies (Accounts) Rules, 2014 are furnished here under:

DISCLOSURE UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

I. CONSERVATION OF ENERGY

(i) The steps taken or impact on conservation of energy:

At all the new projects / premises, your Company takes following measures with the intent of energy conservation:

- a. LED lights installation in office area: Benefit is around 50 to 60% saving in energy cost for lighting as compared to conventional lights. The estimated cost for the same was about Rs. 2.6 million.
- b. VAV installation in all closed room for effective use of HVAC & Energy: VAV helps to reduce consumption as Air Conditioners are auto switched-off or auto controlled as per the cooling requirements. The estimated cost for the same was about Rs. 0.30 million.
- c. Motion Sensors for all meeting room lighting: When meeting rooms are not occupied the lights will be auto switched off resulting in electrical saving. The estimated cost for the same was about Rs. 0.30 million.
- d. Energy Efficient UPS selection: Energy efficient UPS systems gives 96% to 99% power efficiency at all times due to advance power saving technology, as against a normal UPS systems which generally gives 80-85% efficiency. The estimated cost for the same was about Rs. 9.4 million.

- e. Energy efficient AC selection for all new projects: Energy Star rating Air Conditioners used in data centers and hub rooms as backup to Floor Air Conditioning system. The estimated cost for the same was about Rs. 3.80 million.

It is believed that all these steps will result in significant conservation and savings.

II. TECHNOLOGY ABSORPTION

The efforts made towards technology absorption:

The Company has partnerships with leading technology platforms so that it can extend services to its clients which deploy/use these platforms. Apart from that the Company also has in-house capabilities on leading technologies. The Company has also gone ahead and adopted various open-source platforms, as permissible, for its big data practice. Our team is trained and certified on more than 50 market leading technologies.

The Company is also CMMI Level 3 appraised and its technology team has been a recipient of various industry leading awards which include the CIO100, Dataquest Award for Technology, NetApp Trendsetter Award, Asia BPO Summit award for Best Use of Technology for Operational Excellence and the Social Innovation Award for a mobile application built for animal rescue.

III. FOREIGN EXPORT EARNING AND EXPENDITURE

(Rupees in Million)

	2014-15	2013-14
Total Foreign Exchange Earnings	8,159.91	7092.55
Foreign Exchange Used	1,742.48	1192.95

Furthermore this Annual Report has been entirely designed in-house, by eClerx Communication Design Team.

For and on behalf of the Board of Directors

V. K. Mundhra
Chairman

Place: Mumbai

Date: May 25, 2015

Annexure-V

Salary details of employee(s) employed during the Financial Year 2014-15 and who were in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 60 Lakhs p.a. / Rs. 5 Lakhs p.m.

Name of Employee(s)	Designation	Remuneration Received (including ESOP gain, if any) (Rs. Lacs)	Nature of Employment	Qualification	Total Experience	Date of Commencement of Employment	Age	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company (%)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Sandeep Dembi	Principal	245.49	On Rolls	P.G.D.B.M.	17	23-Nov-09	42	WNS Global Services	0.05	N. A.
Subhodip Basu	Associate Principal	231.88	On Rolls	P.G.D.M.	15	16-Mar-09	40	HP India Sales Pvt. Ltd.	0.00	N. A.
Rohitash Gupta	Chief Financial Officer	131.90	On Rolls	M.B.A.	18	4-Nov-03	41	SISL	0.23	N. A.
Hoshi Mistry	Principal	127.67	On Rolls	M.Tech	15	8-Apr-02	43	Imageware	0.05	N. A.
Neville Bhairucha	Associate Principal	121.74	On Rolls	M.B.A.	20	1-Jan-04	43	McDonalds	0.08	N. A.
Pravin Borade	Associate Principal	103.74	On Rolls	M.S.	15	22-Feb-10	38	Persistent Systems	0.01	N. A.
Srinivasan Nadadhur	Associate Principal	91.88	On Rolls	P.G.D.M.	16	1-Dec-09	39	iNautix Technologies	0.03	N. A.
Chetan Shahdeo	Program Manager	89.68	Employed for part of the year	M.B.A.	13	7-Mar-05	35	ESSAR Steel	0.01	N.A.
Sandeep Sivasstava	Associate Principal	85.06	On Rolls	M.B.A.	13	10-Sep-09	37	Adventivity Global Services	0.01	N. A.
Sanjay Kukreja	Principal	84.65	On Rolls	P.G.D.M	16	5-Sep-11	42	Accenture Services Ltd.	0.00	N. A.
Manoj Shelar	Associate Principal	82.01	On Rolls	P.G.D.M.	15	12-Oct-09	40	HSBC	0.01	N. A.
Minita Pais	Program Manager	78.40	On Rolls	B.M.S.	12	4-Aug-03	33	NA	0.02	N.A.
Nitin Kamat	Associate Principal	70.43	On Rolls	B.E.	12	15-Nov-04	35	Syngy India Pvt. Ltd.	0.04	N. A.
Debobroto Ghosh	Associate Principal	70.09	On Rolls	M.M.M.	16	24-Sep-10	43	Accenture Services Ltd.	0.00	N. A.
Parijat Singh	Associate Principal	69.64	On Rolls	M.B.A.	10	1-Jun-05	34	NA	0.04	N. A.
Arindam Biswas	Program Manager	67.13	On Rolls	M.B.A.	12	10-Aug-09	37	Zensar Technologies	0.02	N.A.
Prashant Chaddah	Associate Principal	63.04	On Rolls	M.B.A.	12	13-Aug-08	35	Motilal Oswal	0.00	N. A.
Sachin Vaidya	Associate Principal	61.74	On Rolls	Diploma in Electronics and Video Engineering, Indian Technical Education Society	21	4-May-09	41	Inventurous Knowledge Solutions Pvt. Ltd.	0.00	N. A.
Chitra Padmanabhan	Principal	60.54	On Rolls	M.B.A.	22	5-Sep-12	45	Future Group	0.00	N. A.

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

According to a report issued by National Association of Software and Services Companies (NASSCOM), the IT BPM industry clocked revenues of USD 146 billion, a growth of about 13% over last year, and an overall y-o-y addition of about USD 17 billion. The industry was a net hirer, adding about 2,30,000 employees in FY15.

The BPM industry has shifted from a cost-based to a value-based proposition with service providers concentrating on providing more business benefit to the client than simply reducing cost of delivery. With increase in automation and digitisation of processes, platform-based and verticalised services have increased significantly.

In Financial Year 2015-16, NASSCOM expects the industry to add revenues of USD 20 billion to the existing industry revenues of USD 146 billion. Export revenues for Financial Year 2015-16 is projected to grow by 12 to 14% and reach USD 110-112 billion. Domestic revenues (including ecommerce) for the same period will grow at a rate of 15-17% percent and is expected to reach USD 55-57 billion during the year.

II. SEGMENT WISE PERFORMANCE

Our banking and financial services business has continued to undergo a transition during Financial Year 2014-15. On the one hand, the reduced role of for our clients has led to some reduction in capital markets related revenues for us, but this has been compensated by emerging opportunities for other services including regulatory support and reference data management. As we look ahead, our key goals for this business continue to be to refine our service portfolio and become an end to end service provider for our clients by also developing capability for providing services in the local geographies of our clients.

Our digital marketing business had a good year in Financial Year 2014-15. The increasing importance of digital initiatives for our clients continues to create opportunities for us. Apart from providing digital operations support, we are also now building out an associated digital analytics capability which would provide consolidated services to clients both from onshore and offshore locations. Continuing the trend from last year, 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 an exceptionally strong year in Financial Year 2014-15. As we exit the year, this business has more than doubled in size from the time that we acquired Agilyst in May 2012. Despite the uncertainty around industry consolidation which prevailed through the year, we were successful in adding substantially to the size of this business and remain optimistic about the outlook ahead.

III. INORGANIC GROWTH

In keeping with our strategy of looking for suitable inorganic growth opportunities, we have recently completed the acquisition of CLX Europe, S.P.A., ('CLX') an Italian Company that creates, manages and distributes marketing, communication and branding content for some of the world's largest retailers, publishers and luxury goods manufacturers. We believe that this acquisition is a good fit for eClerx since it broadens our service portfolio and therefore gives us an opportunity to capture a larger share of wallet from our clients. This addition also reduces our geographic concentration, increases our global capabilities and introduces us to new client industry sectors.

CLX shall operate as a fully owned subsidiary of eClerx Investments (U.K.) Limited, a newly setup wholly owned subsidiary of the Company. CLX has delivery centres both in Europe and Asia and clients across Italy, Germany and the U.K.. CLX has an employee headcount of approx. 300 employees (100-140 each in Thailand and Italy and 20-25 each in Germany and U.K.).

CLX has also invested heavily in creating a proprietary platform called FLUID4 which is a digital asset management tool and we think that this will also be key to future success in the marketplace.

Infrastructure

In India, we have 3 main delivery centers viz. Mumbai, Pune and Chandigarh with a total capacity of approximately 7,500 seats operating at approximately 90% utilisation. We

have 4 sales offices across 3 countries.

During the year, we received approval for six additional new facilities in at Airoli, Navi Mumbai, Pune and Chandigarh. Out of these three facilities at Airoli and Navi Mumbai are currently operational. The remaining 1 unit each in Airoli, Navi Mumbai, Pune and Chandigarh is likely to go into production early in Financial Year 2015-16 and will accommodate approximately 1,400 seats. Once operational, this will take our total seat count to about 8900.

IV. OUTLOOK

The outlook for the company remains largely similar to Financial Year 2014-15 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.

V. 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 96% of its revenues during Financial Year 2014-15 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.
Competition risk	The Company derived 67% of its total revenues during Financial Year 2014-15 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 83% of our revenues in US Dollars, 12% 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.
Integration risk	The Company's recent acquisition poses challenges including financial, technological and people integration risks, which if not managed adequately could result in failure to achieve the strategic and financial objectives of the transaction.
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.

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of Internal Controls. 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 design, operations, adequacy and effectiveness of its internal control processes and also to suggest improvement and upgrades to the management.

The adequacy of the internal control system alongwith the 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 of the Company are also reviewed and monitored on a periodic basis by the Audit Committee of the Company. The Committee in co-ordination with the external agency appointed for the internal audit of the Company, reviews all internal investigations made by the agency and appropriately reports the matter to the Board for further action.

VII. FINANCIAL PERFORMANCE - STANDALONE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements of your Company are prepared in compliance with the Companies Act, 2013 and Generally Accepted Accounting Principles in India (Indian GAAP). The Company adopted principles of Accounting Standard 30 for hedge accounting effective April 1, 2014. Further, the Company also adopted the Schedule II of the Companies Act, 2013 pertaining to the new depreciation rates and useful life of the assets.

The following discussion and analysis should be read together with the standalone Indian GAAP financial statements of your Company for the financial year ended March 31, 2015.

I. RESULTS OF OPERATIONS

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

(Rupees in million)

Particulars	2014-15	2013-14
Revenue from Operations	8,183.35	7,133.84
Other Income (net)	318.14	157.63
Total Revenue	8,501.49	7,291.47
Operating Expenses	5,515.48	4,057.96
EBITDA	2,986.01	3,233.51
EBITDA%	35.12%	44.35%
Depreciation and goodwill amortization	285.67	143.28
Earnings before Exceptional Items, Interest, & Tax	2,700.34	3,090.23
Taxes	542.68	625.13
Net Profit after Tax	2,157.66	2,465.10
NPM%	25.38%	33.81%

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. 8,183.35 million in the year under review from Rs. 7,133.84 million in the previous year registering a growth of 14.71%.

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. 318.14 million in the year under review from Rs.157.63 million in the previous year.

Foreign exchange gains increased to Rs.116.12 million in the year under review from of Rs. 19.05 million in the previous year primarily due lower forex exchange fluctuations losses due to favorable forex hedges and stable rupee dollar exchange rate.

Income from investments increased to Rs. 202.02 million in the year under review from Rs. 138.58 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. 5,515.48 million in the year under review from Rs.4,057.95 million in the previous year.

Employee costs increased to Rs. 2,822.00 million in the year under review from Rs. 2,130.19 million in the previous year primarily due to increase in head count.

Other expenses increased to Rs. 2,693.48 million in the year under review from Rs.1,927.77 million in the previous year. The increase was primarily due to:

- Increase in rent by Rs. 72.60 million due to additional facilities taken in Airoli, Navi Mumbai.
- Increase in legal & professional fees by Rs. 94.48 million primarily due to legal & advisory fees incurred on acquisition of CLX Europe S.P.A.
- Increase in other General Administrative cost by Rs. 531.10 million includes:
 - Electricity expenses increased by Rs. 30.99 million due to additional facilities commissioned.
 - Travelling expenses by Rs. 54.52 million primarily higher onsite visits to client locations.

- Corporate Social Responsibility expenses increased by Rs. 35.01 million due to statutory requirement.
- Sales and Marketing Services by Rs. 410.58 million due to increase in sales and account management teams in overseas locations.

c. Depreciation

Depreciation charge has increased to Rs. 285.67 million in the year under review from Rs.143.28 million in the previous year primarily on account adoption of rates in Schedule II of Companies Act, 2013 amounting to Rs. 102.11 million and balance increase due to fixed assets commissioned in new facilities.

d. Income Tax Expense

Income tax expense comprises tax on income from operations in India. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. 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. 326.39 million as on March 31, 2015, 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 tax expense (including deferred

taxes) decreased to Rs. 542.68 million in the year under review from Rs. 625.13 million in the previous year.

II. FINANCIAL CONDITION

a. Share Capital

The Company has authorised capital of Rs. 500 million as on March 31, 2015. The issued, subscribed and paid up capital was Rs. 303.51 million of equity shares of Rs. 10 each in the year under review as compared to Rs. 301.77 million in the previous year. The increase in paid up capital was due to allotment of shares on exercise of employee stock options.

b. Reserves & Surplus

The reserves and surplus of the Company increased to Rs. 6,162.44 million in the year under review from Rs. 5,082.45 million in the previous year.

c. Short-term and Long-term Provisions

Short term provisions increased to Rs. 1,575.88 million as on March 31, 2015 from Rs. 1,435.16 million as on March 31, 2014 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 to Rs. 223.08 million as on March 31, 2015 from Rs. 150.03 million as on March 31, 2014. The increase is due to additional vendors servicing new facilities commissioned during the year and legal and professional fees payable for acquiring CLX Europe S.P.A.

e. Other Current Liabilities

Other current liabilities, which include bills raised in advance on clients, statutory dues, creditors for expenses and outstanding expenses increased to Rs. 259.25 million as on March 31, 2015 from Rs.153.70 million as on March 31, 2014. The increase is attributable to increase in accrued expenses, other statutory liabilities and creditors for capital expenditure.

f. Fixed Assets

The Gross block of fixed assets as on March 31, 2015 was Rs. 1,649.54 million (Rs. 1,150.74 million as on March 31, 2014) year and cumulative depreciation amounted to Rs. 285.67 million (Rs. 143.28 million as on March 31, 2014). Additions to fixed assets made during the year were Rs. 535.75 million (Rs. 119.69 million during the previous year) primarily due to new facility taken in Airoli, Navi Mumbai.

Capital work in progress as on March 31, 2015 amounted to Rs.11.49 million (Previous year Rs. 10.77 million).

g. Loans and Advances

- Long term loans and advances increased to Rs.633.40 million as on March 31, 2015 from Rs.604.20 million as on March 31, 2014 due to rent deposits paid to lessors on account of additional facilities taken during the year.
- Short term loans and advances increased to Rs.94.34 million as on March 31, 2015 from Rs.27 million as on March 31, 2014. The increase was primarily attributable to pending service tax refunds due to the Company.

h. 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. 1,475.27 million during the year under review from Rs. 1,121.48 million in the previous year due to investment of surplus cash generated from operations.

i. Acquisition(s)

The Company acquired CLX Europe S.P.A. ('CLX'), an Italian Company that creates, manages and delivers creative assets globally to the multi-channel market for luxury brands

and major retailers, effective April 21, 2015. The consideration towards the acquisition consists of an amount not exceeding Euro 25 million. The transaction is funded from the Company's internal accruals.

j. Trade Receivables

Debtors increased to Rs.1,140.26 million as on March 31, 2015 from Rs. 818.80 million as on March 31, 2014. These debtors 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 customer's ability to settle. The Company monitors trade receivables closely.

k. Cash and Bank Balance

The cash and bank balances increased to Rs.2,378.70 million as on March 31,2015 from Rs. 2,224.87 million as on March 31, 2014. Out of this, Rs. 950.94 million (previous year Rs. 651.07 million) was held in exchange earnings in foreign currency accounts in India. The remaining cash and bank balances mainly represent bank balances in current and fixed deposit accounts in India.

l. Other Current Assets

Other Current Assets increased to Rs.1,287.87 million as on March 31, 2015 from Rs.1,011.14 million as on March 31, 2014. The increase is primarily on account of unbilled revenues and marked to market gains as on March 31, 2015 on all Outstanding Forward Contracts

m. Deferred Tax (net)

The Company has a net deferred tax asset of Rs.47.62 million as at Mach 31, 2015 (Rs.28.75 million as at March 31, 2014). Deferred tax primarily arises out of provisions made of employee benefits, lease equalisation and depreciation.

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)

	2014-15	2013-14
Net cash generated by/ (used in)		
Operating activities	1,991.09	1,853.84
Investing activities	(485.45)	(758.09)
Financing activities	(1,154.33)	(835.43)
Net increase in cash and cash equivalents	351.31	260.31

a. Cash flows from operating activities

(Rupees in million)

	2014-15	2013-14
Profit before tax	2,700.34	3,090.23
Adjustments: depreciation and Amortisation	285.67	143.28
Other non-cash adjustments	2.67	(0.30)
Non operating income (net)	(202.02)	(138.56)
Effect of working capital changes	(235.23)	610.33
Cash generated from operations	2,529.43	2,498.93
Taxes paid	(538.34)	(645.09)
Net cash generated by operating activities	1,991.04	1,853.84

b. Cash flows from investing activities

(Rupees in million)

	2014-15	2013-14
Fixed asset (net)	(511.22)	(125.99)
Other investments (net)	(166.27)	(1028.87)
Investments in Subsidiaries	-	266.45
Non operating income (net)	192.04	130.32
Net cash used in investing activities	(485.45)	(758.09)

During the year under review, Rs. 511.22 million was also used in purchase of fixed assets for set up of new facilities, incremental additions and replacements of fixed assets as compared to Rs.125.99 million in the previous year.

c. Cash flows from financing activities

(Rupees in million)

	2014-15	2013-14
Proceeds from equity issued	75.78	85.44
Deposit for Buyback of shares	10.13	(10.13)
Buyback of equity shares	-	(30.65)
Dividend paid including dividend tax	(1,240.24)	(880.09)
Net cash used in financing activities	(1,154.33)	(835.43)

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, 2014 approved by the shareholders at the last Annual General Meeting.

VIII. 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. We won the MAKE India award for the fourth consecutive year which was judged by a panel of Indian-based Fortune 500 senior executives and internationally recognised knowledge management / innovation / intellectual capital experts.

During the year, we added 3,965 people (net) and our total head count at the end of the year stood at 8,189. Our attrition rate in FY2014-15 was 25% compared to 30.1% in Financial Year 2013-14.

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 Financial Year 2014-15, 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.

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, etc.

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 atleast 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 nine Directors, of which one is Executive Director, two are Non-Executive Directors and six are Non-Executive Independent Directors, including one women 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.

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
Deepa Kapoor	Non - Executive Independent Director
Nityanath Ghaneekar*	Non - Executive Independent Director

*Resigned w.e.f July 1, 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 2014-15, 8 Board Meetings were held as follows:

May 20, 2014	July 10, 2014	July 31, 2014
October 30, 2014	January 12, 2015	January 30, 2015
March 13, 2015	March 31, 2015	

The Company held its last Annual General Meeting on July 10, 2014.

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

Director	Number of Board Meetings held during the year/tenure		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	5	Yes	1	-	-
PD Mundhra	8	8	Yes	1	-	-
Anjan Malik	8	6	Yes	-	-	-
Pradeep Kapoor	8	6	No	-	-	-
Anish Ghoshal	8	7	Yes	1	-	-
Vikram Limaye	8	5	No	9	2	-
Biren Gabhawala	8	8	Yes	1	2	-
Alok Goyal	8	6	Yes	-	-	-
Deepa Kapoor	8	7	Yes	-	-	-
Nityanath Ghanekar*	1	1	NA	NA	NA	NA

*Resigned w.e.f July 1, 2014

As required by Clause 49 of the Listing Agreement, the disclosure includes memberships / chairmanship of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted). The status is as on March 31, 2015.

e. **Brief Profile of Director(s)**

Further, the required resolutions for appointment / re-appointment of the Director(s), 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 Financial Year 2014-15.

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 on http://www.eclerx.com/Pages/Corp_Investors_Corporate-Governance.aspx

g. **Policy on Prohibition of Insider Trading**

The Company has in place a Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('the Code') pursuant to Section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has instituted reporting system to prevent insider trading by employees, as applicable, and also takes periodic 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 employees 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 employee(s) 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 Insider Trading Code and at the time of leaving the organisation. The Code of Conduct also provides

for post transaction disclosure(s) based on which the Company makes filing with the Stock Exchange(s), pursuant to the relevant SEBI Regulations.

h. Code of Conduct for Independent Directors

The Code of Conduct for Independent Directors ('Code') has been adopted by the Company to comply with the Section 149, read with Schedule IV under the Companies Act, 2013 ('Act') and such other rules and regulations as applicable.

The Code is a guide to professional conduct for Independent Directors. It is believed that adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators in the institution of independent directors.

Further pursuant to the provisions of Act and the Listing Agreement, Independent Directors of the Company hold at-least one meeting in a financial year without attendance of Non-Independent Directors and the members of the Management. The said meeting was held on December 15, 2014.

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:
 - a. 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;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report, if any.
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.) if any, 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, as permitted;
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, 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 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. Review of the following information:
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions submitted by management;
 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the internal auditor.

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.
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:

- i. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- ii. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
- iii. Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information;
- iv. Reviewing with management, the annual financial statements before submission to the Board;
- v. Examination of the financial statement and the Auditors' report thereon;
- vi. Reviewing the Company's financial and risk management policies;
- vii. Monitor related party transactions of the Company;
- viii. Subject to applicable rules and regulations, approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;

- xii. Monitoring the end use of funds raised through public offers, if any, and related matters;
- xiii. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
- xiv. 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;
- xv. 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;

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings.

The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

e. Composition of the Audit Committee and the details of its Meetings held and attended by its members:

Name	Category	Meetings Held During the Tenure	Meetings Attended
Biren Gabhawala	Member – Chairman (Non – Executive Independent Director)	6	6
Pradeep Kapoor	Member (Non – Executive Independent Director)	6	5
Anish Ghoshal	Member (Non – Executive Independent Director)	6	5
PD Mundhra	Member (Executive Director)	6	6
Nityanath Ghanelkar*	Member (Non – Executive Independent Director)	1	1

*Resigned w.e.f July 1, 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 three Non-Executive Independent Directors and an Executive Director, having adequate financial and accounting knowledge. The constitution, powers, duties and responsibilities of the Audit Committee are in line with 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 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 Fourteenth Annual General Meeting of the Company held on July 10, 2014.

f. During the financial year, 2014-15, 6 Audit Committee Meetings were held:

May 20, 2014	July 31, 2014	October 30, 2014
January 30, 2015	March 13, 2015	March 31, 2015

IV. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has constituted the Nomination and Remuneration Committee pursuant to *inter-alia*, Section 178 of the Companies Act, 2013.

a. Terms of reference:

The Committee has *inter-alia* the following terms of reference:

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 familiarisation 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:
 - a) 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;
 - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) 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. Composition of the Nomination and Remuneration Committee and the details of its Meeting held and attended by its members:

Name	Category	Meetings Held During the Tenure	Meetings Attended
Anish Ghoshal	Chairman - Non-Executive Independent Director	5	5
Alok Goyal	Member - Non-Executive Independent Director	5	4
Anjan Malik	Member - Non-Executive Director	5	5
V. K. Mundhra	Member - Non-Executive Director	5	2
Nityanath Ghaneekar*	Member - Non-Executive Independent Director	1	1

*Resigned w.e.f July 1,2014

During the year under review, 5 Nomination & Remuneration Committee Meetings were held:

May 20, 2014	July 31, 2014	October 30, 2014
January 30, 2015	March 13, 2015	

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

c. Nomination & Remuneration Policy

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended

from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The policy acts as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

d. Details of remuneration paid/payable to Directors for Financial Year 2014-15 are as follows:

(Rs. in million)

Name	Salary & Perquisites including ESOP gain, if any	Commission [#]	Sitting Fees	Total
V. K. Mundhra	-	-	-	-
PD Mundhra	22.93	-	-	22.93
Anjan Malik	-	-	-	-
Pradeep Kapoor	1.16	1.20	0.14	2.50
Anish Ghoshal	1.33	1.20	0.16	2.68
Vikram Limaye	-	1.20	0.12	1.32
Biren Gabhawala	2.12	1.20	0.18	3.50
Alok Goyal	-	1.20	0.14	1.34
Nityanath Ghaneekar*	-	0.20	0.02	0.22
Deepa Kapoor	-	1.20	0.16	1.36

[#] Commission for FY 2014-15 will be paid in May/June, 2015

Sitting Fees

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.

Further the boarding and lodging expenses are reimbursed to the Directors based out of Mumbai.

Remuneration by way of commission to Non-Executive Independent Director

The Remuneration by way of commission is paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the regulations, subject to an amount of Rs 12 Lacs p.a.

Criteria of making payments to Non-Executive Directors

Shareholders of the Company vide Special Resolution passed at 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 2013, 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 Nomination and Remuneration Committee at its Meeting held on May 25, 2015 considered and accordingly recommended the payment of remuneration by way of commission of Rs. 12 Lacs p.a. to each of Non-Executive Independent Directors of the Company for Financial Year 2014-15.

The Board in its meeting held on May 25, 2015 considered and approved the payment of remuneration of 12 Lacs p.a. by way of commission to each of the

Non-Executive Independent Director. The commission is paid in proportion to the term served by the director in respective financial year.

Remuneration to Whole-time Director

The Executive Director is entitled to salary of Rs. 13.80 million p.a. In addition to that he is also entitled to Annual Performance Bonus, which is merit based and takes into account the Company's performance. The Board of Directors vide its meeting held on May 4, 2015 deliberated upon the same and approved annual performance bonus for Financial Year 2014-15 as Rs 8,500,000 pursuant to the recommendations of Nomination and Remuneration Committee.

PD Mundhra, Executive Director of the Company offered to forgo his annual remuneration increment for the Financial Year 2015-16 conveying that he believed that the current remuneration reflected fair value for his contribution to the Organisation. The Board of Directors at its meeting held on May 25, 2015, accepted the proposal. PD Mundhra has not taken any increment in the monthly salary per-se, since Financial Year 2011-12.

e. Details of shareholding of Non-Executive Directors as on March 31, 2015

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	13, 636
4	Anish Ghoshal	1
5	Vikram Limaye	Nil
6	Biren Gabhawala	4,000
7	Alok Goyal	Nil
8	Nityanath Ghanekar*	Nil
9	Deepa Kapoor	Nil

*Resigned w.e.f. July 1, 2014

f. Details of options held and exercised by Non-Executive Independent Directors as at March 31, 2015 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	1-Apr-2011	15,000	NA	
	7,500		1-Apr-2012	7,500		
	5,250		1-Apr-2013	5,250		
	6,000*		1-Apr-2014	2,000		
	4,500	ESOP Scheme 2011	1-Apr-2015	-	31-Mar-2018	
Anish Ghoshal	15,000	ESOP Scheme 2008	1-Apr-2011	15,000	NA	
	7,500		1-Apr-2012	7,500		
	5,250		1-Apr-2013	5,250		
	6,000*		1-Apr-2014	2,000		
	4,500*	ESOP Scheme 2011	1-Apr-2015	-	31-Mar-2018	
Vikram Limaye	15,000	ESOP Scheme 2008	1-Apr-2011	15,000	NA	
	7,500		1-Apr-2012	7,500		
	5,250		1-Apr-2013	-		31-Mar-2016
	6,000*		1-Apr-2014	-		31-Mar-2017
	4,500*	ESOP Scheme 2011	1-Apr-2015	-	31-Mar-2018	
Biren Gabhawala	8,000*	ESOP Scheme 2008	1-Apr-2014	4,000*	NA	
	4,500*	ESOP Scheme 2011	1-Apr-2015	-	31-Mar-2018	
Alok Goyal	6,000*	ESOP Scheme 2011	1-Apr-2015	-	31-Mar-2018	

* The above options are linked with the performance criteria and the actual number of options which vest could be considerably lower if the respective performance criteria is/are not met.

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. Effective Financial Year 2013-14, the Company has stopped granting ESOPs to the Independent Directors of the Company, in view of the provisions of the Companies Act, 2013.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee was earlier designated as Shareholders Grievance Committee pursuant to Listing Agreement, which is presently effective. The same was renamed 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	Designation
Pradeep Kapoor	Non-Executive Independent Director	Chairman
Anish Ghoshal	Non-Executive Independent Director	Member
PD Mundhra	Executive Director	Member
Biren Gabhawala	Non- Executive Independent Director	Member

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

Name, designation and address of Compliance Officer:

Gaurav Tongia
Company Secretary
Sonawala Building, 1st Floor, 29 Bank Street,
Fort, Mumbai – 400 023, Maharashtra, India.
Ph. Nos.: +91 (22) 6614 8301
Fax No.: +91 (22) 6614 8655
Email: investor@eClerx.com

The constitution, duties and responsibilities of the Stakeholders' Relationship Committee are in line with Clause 49 of the Listing Agreement with the stock exchanges, and other applicable provisions.

During the Financial Year, 4 Stakeholders' Relationship Committee meetings were held

May 20, 2015	July 31, 2014	October 30, 2014
January 30, 2015		

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 37. All complaints of shareholders were satisfactorily resolved. There are no complaints pending as on March 31, 2015.

VI. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board has constituted Corporate Social Responsibility Committee ('CSR Committee') *inter-alia* to perform the following functions:

- To suggest and/or formulate CSR Policy of the Company;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company;
- To ensure that Company spend atleast 2% of average net profit of the company in every financial year;
- To monitor the CSR Policy of the Company from time to time;
- To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the company;
- 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.

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

Further details of the CSR activities of the Company and amount spent thereon are set out in this Annual report including as part of the Directors' Report, herein.

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
2013-14	July 10, 2014	10.15 a.m	Walchand Hirachand Hall, Indian
2012-13	August 22, 2013	10.15 a.m	Merchants Chamber, LNM IMC
2011-12	August 23, 2012	10.15 a.m.	Building, Churchgate, Mumbai 400 020

b. Extraordinary General Meeting:

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

Following Special Resolutions were passed in the previous three AGMs:

Subject	Date of AGM
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.	July 10, 2014
Approval for increasing the Borrowing Powers	
Creation of charge on movable and immovable properties of the Company, both present and future	
Amendment(s) to ESOP plan(s)/Scheme(s) of the Company with regards to removal/deletion of Clauses permitting the Employee Welfare Trust to acquire the Securities of the Company from Secondary Market.	August 22, 2013
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.	
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	August 23, 2012
No Special Resolution was passed.	

c. 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
Adoption of new set of Articles of Association of Company, <i>inter-alia</i> , pursuant to the Companies Act 2013.		99.95%
Amendments(s) to Memorandum of Association of the Company.	December 23, 2014	100%
To consider and approve the re-appointment of PD Mundhra as Whole-time Director for a period of 5 years effective April 1, 2015.		100%

Ms. Savita Jyoti, Company Secretary, Hyderabad, was appointed as Scrutinizer for overseeing the Postal Ballot process. The procedure prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 has been followed for the Postal Ballot conducted during the year for the resolution mentioned above.

Procedure for Postal Ballot:

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of Karvy Computer share Private Limited, for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email address registered with their depository participants (in case of electronic shareholding)/ the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results

of the voting by postal ballot are then announced by the Chairman/authorised officer. The results are also displayed on the website of the Company, www.eClerx.com, besides being communicated to the Stock Exchanges, Registrar and Share Transfer Agent. The date of declaration of the results by the Company is deemed to be the date of passing of the resolution. The requisite electronic voting facility is also made available for annual general meetings as explained in respective notices.

Special resolution proposed to be passed by way of Postal Ballot

None of the business proposed to be transacted in the ensuing AGM require the passing of a special resolution by way of postal ballot.

Familiarisation Programmes for Independent Directors

The details of the familiarisation programme for Independent Directors have been provided in the Director's Report.

Evaluation of Board and Committee

The Companies Act 2013, rules thereunder and the Listing Agreement provide that the Annual Report of the Company shall disclose the following:

- Manner in which formal performance evaluation of the Board, its Committees, and Individual Directors has been carried out;
- Evaluation criteria.

The details of evaluation of Board, Committee(s) and Chairman of the Board have been provided in the Directors' report.

Related Party and Material subsidiaries Policy

This policy deals with the review and approval of Material Related Party Transactions, if any, keeping in mind the potential or actual conflicts of interest that may arise consequent upon the transaction entered into by the Company and the whether the said transactions are consistent with the Company's and its shareholder's interest. This policy also deals with transactions involving Material Non Listed Subsidiary(ies), if any, of the Company.

Accordingly, pursuant to Section 188 of the Companies Act, 2013 and Listing Agreement, this policy has been adopted by the Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified, as permitted. The Audit Committee shall review significant related party transactions, submitted to it by Management, approve and / or recommend for Board and / or shareholders' approval thereon.

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.

The aforesaid policy has also been posted on the Company's website on <http://www.eClerx.com/Corporate%20Governance/RPT%20Policy.pdf>

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 and annexed with the Director's Report.
- 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, employees and others to report genuine concerns. Further no one has been denied access to the Audit Committee. The Policy is available on <http://www.eClerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf>
- 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.

- e. During the Financial Year 2014-15, requisite information as mentioned in Clause 49 of the Listing Agreement has been placed before the Board for its consideration.
- f. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.
- g. M/s Aneja & Associates, Chartered Accountants, Internal Auditors of the Company, make presentations to the Audit Committee on their reports.
- h. Subsidiary Companies: The Audit Committee review the Consolidated Financial Statements of the company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings alongwith a report on significant developments of the unlisted subsidiary companies, as required, are periodically placed before the Board of Directors of the Company.

IX. RISK MANAGEMENT FRAMEWORK

a. Risk Management Framework

Risk Management Framework is the process of identification, assessment, and prioritisation 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 minimise 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;
- 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 annually presented before the Board of Directors of the Company.

X. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis Report for the Financial Year 2014-15, as per the requirements 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 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	Friday, July 17, 2015	
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 (2015-16) (Tentative)	Declaration of Results for the Quarter Ending on	Tentative Board Meeting Schedule
	June 30, 2015	First week of August 2015
	September 30, 2015	First week of November 2015
	December 31, 2015	Last week of January 2016
	March 31, 2016	Last week of May 2016
	Sixteenth Annual General Meeting	Second fortnight of July 2016
Date of book closure	Saturday, July 11, 2015 to Friday, July 17, 2015 (both days inclusive).	

Dividend payment date	On/after Tuesday, July 21, 2015
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; • 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 possible 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 Financial Year 2015-16.
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	<ul style="list-style-type: none"> • Indiabulls Finance Center, 1102, 11th Floor, Tower 2, 612/613, S B Marg, Elphinstone Road (West), Mumbai 400 013 • Building # 14, 4th & 5th Floor, K Raheja Mindspace, Plot # 3, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai 400 708 • Building # 11, 4th-6th Floor, K Raheja, Mindspace, Plot # 3, TTC Industrial, Area, Thane Belapur Road, Airoli, Navi Mumbai – 400 708 • Block 01, 5th Floor, Quadron Business Park Limited, Rajiv Gandhi Infotech Park, Hinjewadi Phase-II, Pune – 411057 • Block 4, 2nd Floor, Quadron Business Park, Plot No 28, Rajiv Gandhi Infotech Park, Hinjewadi Phase II, Pune – 411 057 • 2nd Floor, Towers A & B, DLF Technology Park, Chandigarh – 160 101
Registrars and share Transfer Agents (R&T Agents)	<p>Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Andhra Pradesh. Ph. Nos.:+91 (40) 67161569 Fax No.: +91 (40) 2342 0814 Email: balaji.reddy@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/ Stakeholders Relationship 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 30,350,847 Equity shares of the Company constituting over 99.99% of the Company's equity shares were dematerialised as on March 31, 2015. A total of 38 Equity Shares are in physical mode as on March 31, 2015.
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, S R Batliboi & Associates 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. 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	73,484.18
2008-09	Interim Dividend	2.50	October 30, 2008	November 29, 2015	87,933.22
2008-09	Final Dividend	10.00	August 26, 2009	September 25, 2016	206,431.38
2009-10	Interim Dividend	7.50	October 28, 2009	November 27, 2016	147,439.39
2009-10	Final Dividend	10.00	September 16, 2010	October 15, 2017	181,689.70
2010-11	Dividend	22.50	August 24, 2011	September 23, 2018	270,607.50
2011-12	Dividend	17.50	August 23, 2012	September 22, 2019	167,320.00
2012-13	Dividend	25.00	August 22, 2013	September 21, 2020	195,750.00
2013-14	Dividend	35.00	July 10, 2014	August 9, 2021	332,850.00

*Amount unclaimed as on March 31, 2015

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. Pursuant to Section 124 of the Companies Act, 2013, the Company is required to transfer all unclaimed dividend and its corresponding unclaimed shares to the Investor Education Protection Fund.

Balance in IPO Refund Account: The money lying in IPO Refund Account amounting to Rs. 239,400/- has been transferred to Investor Education Protection Fund on December 30, 2014. The details of such investors are available on the website of the Company.

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, 2014	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, 2015	17	503

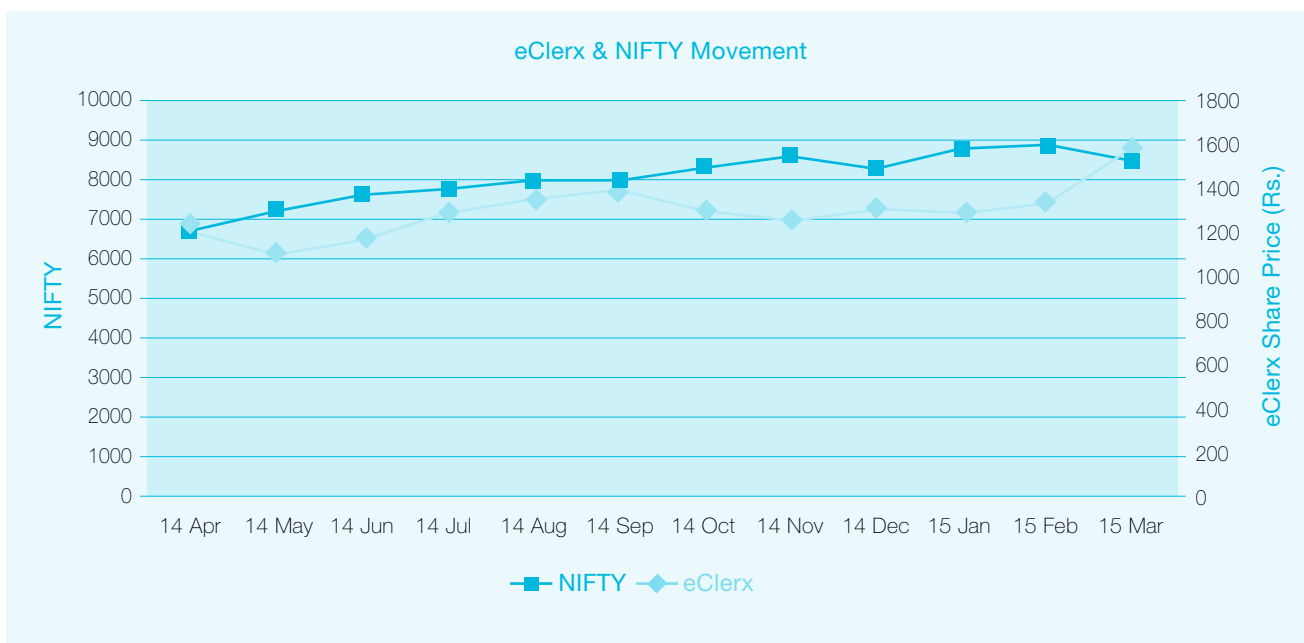
As required under the said Clause of the Listing Agreement the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Market Price Data

Market Price Data (in Rs. per share)

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2014	1,281.95	1,067.65	1,280.00	1,069.95
May 2014	1,277.90	1,057.50	1,275.00	1,051.60
June 2014	1,230.00	1,100.00	1,218.75	1,102.00
July 2014	1,323.00	1,100.05	1,325.00	1,097.10
August 2014	1,408.10	1,200.00	1,407.70	1,198.90
September 2014	1,445.00	1,313.00	1,445.00	1,303.10
October 2014	1,443.90	1,280.00	1,442.30	1,281.70
November 2014	1,315.00	1,208.00	1,320.00	1,202.70
December 2014	1,334.55	1,172.30	1,335.05	1,169.95
January 2015	1,349.00	1,253.95	1,339.20	1,255.90
February 2015	1,390.00	1,180.05	1,390.00	1,179.00
March 2015	1,719.35	1,315.85	1,730.00	1,312.00

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

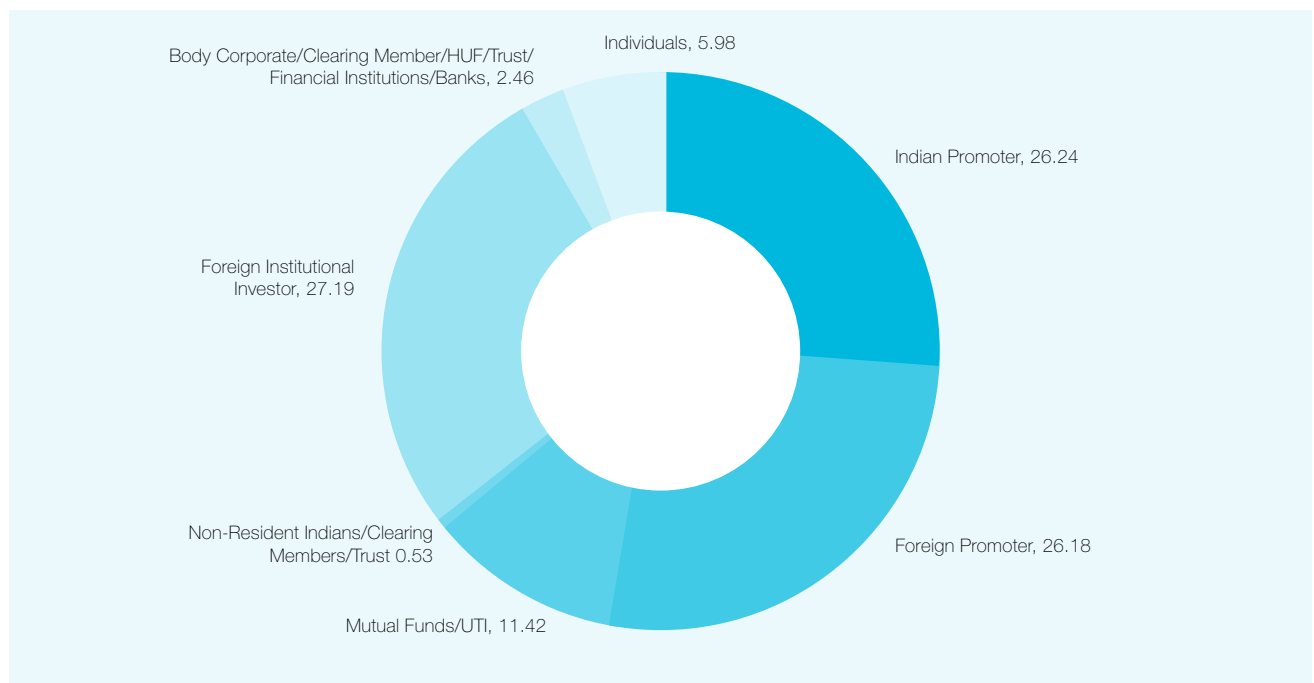


Distribution of Shareholding as at March 31, 2015

Category	Number of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
From - To				
1- 5000	13,553	98.91	1,095,593	3.61
5001 - 10000	40	0.29	310,954	1.02
10001 - 20000	31	0.29	434,429	1.43
20001 - 30000	17	0.23	426,654	1.41
30001 - 40000	6	0.12	199,779	0.66
40001 - 50000	3	0.04	135,026	0.44
50001 - 100000	23	0.02	1,817,548	5.99
100001 & Above	30	0.22	25,930,902	85.44
TOTAL	13,703	1000.00	30,350,885	100.00

The shareholding pattern of the Company as on March 31, 2015 was as under:

S. No.	Category of Shareholder	No. of Shares	% Shareholding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian	7,964,436	26.24
2	Foreign	7,946,683	26.18
	Total Promoters Shareholding (A)	15,911,119	52.42
(B)	Public Shareholding		
1	Institutions		
	(a) Mutual Funds/UTI	346,5433	11.42
	(b) Financial Institutions/Banks/Insurance Companies	61,022	0.20
	(c) Foreign Institutional Investor	8,253,548	27.19
2	Non-Institutional Investor		
	(a) Body Corporate/Clearing Member/HUF/Trust	685,746	2.26
	(b) Individuals	1,815,438	5.98
3	Others		
	(a) Non Resident Indian	136,722	0.45
	(b) Clearing Members	19,757	0.07
	(c) Trust	2,100	0.01
4	Qualified Foreign Investors	0	0
	Total Public Shareholding (B)	14,439,766	47.58
	TOTAL (A)+(B)	30,350,885	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
Sonawala Building, 1st Floor
29 Bank Street, Fort, Mumbai, 400 023
Ph. No.: 022-66148301
Email ID: investor@eClerx.com

Registrar & Transfer Agent:

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 008
Ph Nos.: 040 - 2342 0815 to 824
Fax No.: 040 - 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, 2015.

For eClerx Services Limited

PD Mundhra
Executive Director

Place: Mumbai
Date: May 25, 2015

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, 2015 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 25, 2015

Auditors' Certificate

on compliance of conditions of Corporate Governance

To

The Members of eClerx Services Limited

We have examined the compliance of conditions of corporate governance by eClerx Services Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 Agreement.

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 S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W

per Amit Majmudar

Partner

Membership No. 36656

Place: Mumbai

Date: May 25, 2015

Independent Auditor's Report

To the Members of eClerx Services Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of eClerx Services Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of

the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion proper books of account as required bylaw have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S. R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 25, 2015

Annexure referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date Re: eClerx Services Limited (the 'Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification 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.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4 (ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, 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 rendering of services. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax demand	9,670,433	Assessment Year 2005-06	High Court
Income tax Act, 1961	Income tax demand	3,532,594	Assessment Year 2007-08	High Court and Supreme Court
Income tax Act, 1961	Income tax demand	86,829	Assessment Year 2009-10	Commissioner of Income tax (Appeal)
Income tax Act, 1961	Income tax demand	17,171,150	Assessment Year 2011-2012	Commissioner of Income tax (Appeal)

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Company did not have any dues to any financial institution, bank or debenture holder during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S. R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 25, 2015

Balance Sheet

as at March 31, 2015

(Rupees in million)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	4	303.51	301.77
Reserves and Surplus	5	6,162.44	5,082.45
		6,465.95	5,384.22
Share Application Money Pending Allotment	21	1.35	-
Non Current Liabilities			
Long-term Provisions	6	95.21	59.20
Other Non Current Liabilities	7	99.89	91.44
		195.10	150.64
Current Liabilities			
Trade Payables	8	223.08	150.03
Other Current Liabilities	9	259.25	153.70
Short-term Provisions	10	1,575.88	1,435.16
		2,058.21	1,738.89
TOTAL		8,720.61	7,273.75
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	555.97	403.02
Intangible Assets	11	96.60	24.63
Capital work in Progress		11.49	10.77
Non-current Investments	12	999.09	999.09
Deferred Tax Assets	23	47.62	28.75
Loans and Advances	13	633.40	604.20
		2,344.17	2,070.46
Current Assets			
Current Investments	12	1,475.27	1,121.48
Trade Receivables	14	1,140.26	818.80
Cash and Bank Balances	15	2,378.70	2,224.87
Loans and Advances	13	94.34	27.00
Other Current Assets	16	1,287.87	1,011.14
		6,376.44	5,203.29
TOTAL		8,720.61	7,273.75
Summary of Significant accounting policies	3.2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

For and on behalf of the Board of Directors of eClerx Services Limited

V.K. Mundhra
Chairman**P.D. Mundhra**
Executive Director**Anjan Malik**
Director**Biren Gabhawala**
Director**Rohitash Gupta**
Chief Financial Officer**Gaurav Tongia**
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2015

(Rupees in million)

	Note	Year ended March 31, 2015	Year ended March 31, 2014
INCOME			
Revenue from Operations		8,183.35	7,133.84
Other Income	17	318.14	157.63
		8,501.49	7,291.47
EXPENDITURE			
Employee Benefit Expense	18	2,822.00	2,130.19
Other Expenses	19	2,693.48	1,927.77
Depreciation and Amortisation Expense	11	285.67	143.28
		5,801.15	4,201.24
Profit before taxes		2,700.34	3,090.23
Tax Expense			
- Current Tax		556.50	640.53
- Deferred Tax		(13.82)	(15.40)
Total Tax Expense		542.68	625.13
Profit after tax		2,157.66	2,465.10
Earnings per share	29		
Earning per share (in Rs.) [nominal value of share Rs. 10 (P.Y. Rs.10)]			
-Basic		71.23	82.09
-Diluted		69.64	79.85
Summary of Significant accounting policies	3.2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For and on behalf of the Board of Directors of eClerx Services Limited

For **S. R. Batliboi & Associates LLP**Firm Registration Number: 101049W
Chartered Accountantsper **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

V.K. Mundhra
Chairman**P.D. 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

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Exceptional Items	2,700.34	3,090.23
Adjustments for :		
Depreciation/Amortisation	285.67	143.28
Stock Options Charge	(0.41)	(1.16)
Profit on Sale of Investments	(0.17)	(0.18)
Loss/ (Profit) on Sale of assets	1.05	(0.04)
Unrealised Foreign Exchange Loss/(Gain)	(22.00)	14.61
Bad Debts Written off	3.08	0.86
Dividend Income	(51.80)	(38.01)
Interest Income	(151.10)	(100.33)
Operating Profit Before Working Capital Changes	2,764.66	3,109.26
Adjustments for :		
(Increase) in Trade Receivables	(302.06)	(271.66)
Increase in Long-term Provisions	36.01	4.38
(Increase) in Non Current Loans and Advances	(24.47)	(170.01)
(Increase)/Decrease in Current Loans and Advances	(67.33)	46.62
(Increase) in Other Current Assets	(111.81)	(266.90)
Increase in Trade Payables	72.57	38.70
Increase in Other Current Liabilities	84.45	22.46
Increase in Other Non Current Liabilities	8.45	18.23
Increase/(Decrease) in Short Term Provisions	68.96	(32.15)
Cash Generated by Operating Activities	2,529.43	2,498.93
Income Taxes paid (net of refunds)	(538.34)	(645.09)
Net Cash generated by Operating Activities	1,991.09	1,853.84
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Investments	2,604.88	2,467.03
Purchase of Investments	(2,958.50)	(3,236.48)
Investment in bank deposits(having original maturity of more than three months)	(2,140.57)	(1,575.42)
Redemption/maturity of bank deposits(having original maturity of more than three months)	2,327.92	1,316.00
Investments in Subsidiaries	-	266.45
Sale of Fixed Assets	4.14	1.31
Purchase of Fixed Assets (including Capital work in progress)	(515.36)	(127.30)
Interest received	140.24	92.31
Dividend received	51.80	38.01
Net Cash used in Investing Activities	(485.45)	(758.09)

Cash Flow Statement

for the year ended

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity issued	74.43	85.44
Proceeds from equity issued pending allotment	1.35	-
Deposit for buy back of shares (escrow)	10.13	(10.13)
Buyback of equity share capital	-	(30.65)
Dividend Paid	(1,060.08)	(758.53)
Dividend Tax Paid	(180.16)	(121.56)
Net Cash used in Financing Activities	(1,154.33)	(835.43)
Net Increase in Cash and cash equivalents	351.31	260.31
Cash and Cash Equivalents at the beginning of the year	1,145.93	885.62
Cash and Cash Equivalents at the end of the year (refer note 15)	1,497.24	1,145.93
Summary of Significant accounting policies	3.2	
The accompanying notes are an integral part of these financial statements		

As per our report of even date

For and on behalf of the Board of Directors of eClerx Services Limited

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

V.K. Mundhra

Chairman

P.D.Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

per **Amit Majmudar**

Partner

Membership Number: 36656

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Place : Mumbai

Date : May 25, 2015

Notes to the Financial Statements

for the year ended March 31, 2015

1. CORPORATE INFORMATION

eClerx Services Limited ('the Company') is engaged in providing Knowledge Process Outsourcing (KPO) services to global companies. Established in 2000, the Company provides data analytics and customized process solutions to a host of global clients through a network of multiple locations in India, and is headquartered in Mumbai. The Company is listed on the BSE Limited and National Stock Exchange of India.

2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy which has been disclosed in note 3(l) below.

3. 3.1 CHANGE IN ACCOUNTING POLICY

(l) Derivative Instruments and hedge accounting

Upto March 31, 2014 the Company was amortising the premium or discount on all forward contracts entered into to hedge the foreign currency risk arising at the inception of each contract as income or expense over the life of the contract. Any profit or loss arising on maturity, cancellation or renewal of forward contracts was recognised as income or as expense for the year.

From April 1, 2014 the Company has adopted the principles of Accounting Standard 30, Financial Instruments: Recognition and Measurement (AS-30) issued by Institute of Chartered Accountants of India ('ICAI') to the extent the adoption of AS-30 does not conflict with existing accounting standards specified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014. Accordingly, in respect of forward contracts taken on or after April 1, 2014, the Company designates the forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 in respect of cash flow hedge whereby the effective portion of the gain or loss on the hedging instrument is recognised directly under shareholders fund in the hedging reserve and reclassified into the statement of profit and loss upon the occurrence of the hedged transaction. Changes in the fair value relating to the ineffective portion of the hedges and also relating to forward contracts that do not qualify for hedge accounting are recognised in the statement of profit and loss. Had the Company continued to follow the earlier policy, its total other income and profit after tax for the year ended March 31, 2015 would have been higher by Rs. 149.54 million and Rs. 118.20 million, respectively.

(ll) Depreciation on fixed assets

Depreciation on assets costing less than Rs 5,000.

Upto the year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs. 5,000 in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000 did not have any material impact on financial statements of the Company for the current year.

Notes to the Financial Statements

for the year ended March 31, 2015

(III) Employee Stock Compensation Cost

Upto October 27, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dealt with the grant of share-based payments to employees. Among other matters, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the Company being a listed entity was required to comply with these Guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the ICAI Guidance Note.

From October 28, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations do not contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the Company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., October 28, 2014.

Since there are no equity settled options expiring unexercised after October 28, 2014, the change in accounting policy did not have any material impact on financial statements of the Company for the current year.

3.2 SIGNIFICANT ACCOUNTING POLICIES

a) 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.

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 revenue in excess of billings as at the balance sheet date.

Advance billing included in other current liabilities represents 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.

c) Fixed assets

Tangible Assets

Assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss. 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.

Notes to the Financial Statements

for the year ended March 31, 2015

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

d) Depreciation and amortisation

The Company provides depreciation on tangible fixed assets using the Written Down Value Method. Pursuant to the Companies Act 2013, being effective from April 01, 2014, the management has re-estimated useful lives and residual values of its fixed assets. The Company has revised the depreciation rates on all its tangible fixed assets (other than lease hold assets) as per the useful life specified in Part 'C' of Schedule II to the Act. Till the year ended March 31, 2014, the Company charged depreciation at the rates computed based on estimated useful lives of the assets as estimated by the management, which were equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

As per the provisions of Schedule II, depreciation of Rs.14.93 million (Rs.19.98 million net of deferred tax effect of Rs.5.05 million) is charged against General Reserve. Additional depreciation Rs. 102.11 million is charged to the statement of profit and loss for the year ended March 31, 2015 due to this change.

The Company has used the following rates to provide depreciation on its fixed assets.

Useful lives estimated by the management (years)

Office Equipment	5 years
Furniture and Fixtures	10 years
Computers	
- End User Devices	3 years
- Servers	6 years
Leasehold improvements	Lease term

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis which generally do not exceed ten years.

e) 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 determined on an individual investment basis. 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.

f) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. 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

Notes to the Financial Statements

for the year ended March 31, 2015

statement of profit and loss or against revaluation surplus where applicable. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

g) Retirement and Other Employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. 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 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. Actuarial valuation is done by an independent actuary as at the balance sheet date using the projected unit credit method and actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Compensated Absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company treats the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

h) 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 a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. 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 income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Notes to the Financial Statements

for the year ended March 31, 2015

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

i) Leases

Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

j) Derivative Instruments and Hedge Accounting

The Company uses derivative financial instruments (foreign currency forward contracts) to hedge its risks with foreign currency fluctuations relating to certain highly probable forecast transactions. 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, consistent with the Company's Foreign Exchange Risk Management Policy. The Company does not use derivative financial instruments for speculative purposes. The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives entered into on or after April 1, 2014 and designated as hedges, the Company follows the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement and formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in cash flows of the hedged item. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in the hedging reserve account under shareholders' funds. Changes in the fair value relating to the ineffective portion of the hedges and also relating to the forward contracts that do not qualify for hedge accounting are recognised in the statement of profit and loss. Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders funds is transferred to the statement of profit and loss for the year.

k) 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 monetary items at year end are translated at exchange rates as on the reporting date and the resulting net gain or loss is recognised in the statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Notes to the Financial Statements

for the year ended March 31, 2015

l) Employee stock compensation cost

The Company grants stock options from time to time to its employees and also to employees of its subsidiaries.

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

m) Cash and Cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

n) 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.

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
4 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		
3,03,50,885 (P.Y. 30,176,907) equity shares of Rs. 10 each	303.51	301.77
	303.51	301.77

a) Reconciliation of the share outstanding at the beginning and at the end of the reporting period

	March 31, 2015		March 31, 2014	
	No.	Rupees in million	No.	Rupees in million
At the beginning of the year	30,176,907	301.77	29,874,585	298.75
Add : Shares allotted during the year on account of exercise of share options by employees (refer note 26)	173,978	1.74	339,945	3.40
Less: Buyback of equity shares	-	-	37,623	0.38
Outstanding at the end of the year	30,350,885	303.51	30,176,907	301.77

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.

Subject to the provisions of Companies Act 2013 as to preferential payments, the assets of the Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, will be distributed among the members according to their rights and interests in the Company.

c) Aggregate number of bonus shares issued, shares issued for consideration other than cash

The Company has issued 9,538,674 (P.Y. 9,538,674) equity shares as fully paid up bonus shares by capitalising free reserves during the period of five years immediately preceding the balance sheet date. The company has bought back 37,623 shares (37623) during the period of 5 years immediately preceding the balance sheet date.

Notes to the Financial Statements

for the year ended March 31, 2015

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

Name of the Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Share Capital	No. of Shares held	% of Share Capital
Anjan Malik	7,922,250	26.10%	7,922,250	26.25%
Priyadarshan Mundhra	7,917,862	26.09%	7,917,862	26.24%
Nambe Investment Holdings	-	-	2,765,785	9.17%
Matthews India Fund	2,339,076	7.71%	-	-

e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 26.

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
5 RESERVES AND SURPLUS		
General Reserve		
Opening balance	998.10	751.53
Add: Transfer/Adjustment during the year (refer note 3.2 (d))	(14.93)	-
Add: Transferred from surplus balance in statement of profit and loss account	-	246.57
Closing Balance	983.17	998.10
Hedging Reserve		
Opening balance	-	-
Add: Gain on Cash Flow Hedge Derivative (net)	154.09	-
Closing Balance	154.09	-
Securities Premium		
Opening balance	812.45	761.06
Add: Additions on ESOP exercise	72.69	82.04
Add: Transfer on exercise of stock options	0.93	-
Less: On buyback of shares	-	30.27
Less : Transfer to Capital Redemption Reserve	-	0.38
Closing Balance	886.07	812.45
Stock Option Outstanding		
Opening balance	8.06	9.22
Add: Transfer during the year	2.62	2.16
Less: Reversed on stock options cancelled/forfeiture during the year	3.02	3.32
Less: Transferred to securities premium on exercise of stock options	0.93	-
Closing Balance	6.73	8.06

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
Capital Redemption Reserve Account		
Opening balance	0.38	-
Add: Transfer during the year	-	0.38
Closing Balance	0.38	0.38
Surplus in the Statement of Profit and Loss Account		
Balance brought forward from previous year	3,263.46	2,286.91
Profit after tax	2,157.66	2,465.10
Surplus available for appropriation	5,421.12	4,752.01
Less : Appropriations		
Short Provision for Dividend and Dividend Tax	4.55	6.29
Proposed Dividend #	1,062.28	1,056.19
Tax on Proposed Dividend #	222.29	179.50
Transfer to General Reserve	-	246.57
Balance carried to Balance Sheet	4,132.00	3,263.46
# Proposed dividend of Rs 35 per share (P.Y. Rs. 35 per share)		
TOTAL RESERVES AND SURPLUS	6,162.44	5,082.45
6 LONG TERM PROVISIONS		
Provision for Gratuity (refer note 30)	95.21	59.20
TOTAL	95.21	59.20
7 OTHER NON CURRENT LIABILITIES		
Operating lease liabilities	99.89	91.44
TOTAL	99.89	91.44
8 TRADE PAYABLES		
Payable to Micro and small Enterprises (refer note 34)	-	-
Other Trade Payables	223.08	150.03
TOTAL	223.08	150.03

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
9 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	1.66	1.34
Advance Billing	19.50	44.95
Accrued Expenses	167.67	74.84
Creditors for Capital Expenses	23.88	2.78
Statutory Dues	46.54	29.79
TOTAL	259.25	153.70
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Incentive Payable to employees	172.88	152.44
Provision for Gratuity (refer note 30)	10.00	10.00
Provision for Leave Encashment	68.76	20.23
	251.64	182.67
Others		
Provision for Taxation (Net)	39.68	16.80
Proposed Dividend #	1,062.28	1,056.19
Dividend Distribution Tax on Proposed Dividend	222.28	179.50
	1,324.24	1,252.49
TOTAL	1,575.88	1,435.16
# Proposed dividend of Rs 35 per share (P.Y. Rs. 35 per share)		

Notes to the Financial Statements

for the year ended March 31, 2015

11 FIXED ASSETS

(Rupees in million)

ASSETS	GROSS BLOCK - AT COST			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK		
	'As on April 1, 2014'	Additions during the year	Deductions / Adjustments	'As on March 31, 2015'	'As on April 1, 2014'	Additions during the year	Deductions / Adjustments *	'As on March 31, 2015'	'As on March 31, 2014'
Tangible									
Office Equipments	170.52	118.97	1.47	288.02	62.34	90.41	(9.85)	162.60	108.18
Leasehold Improvements	221.46	154.00	18.72	356.74	98.60	32.32	17.44	113.48	122.86
Furniture And Fixtures	63.80	26.15	11.47	78.48	33.40	10.05	9.34	34.11	30.40
Computers	567.73	121.31	5.26	683.78	426.15	108.69	(6.02)	540.86	141.58
	1,023.51	420.43	36.92	1,407.02	620.49	241.47	10.91	851.05	403.02
INTANGIBLE									
Computer Software	127.23	115.32	0.03	242.52	102.60	44.20	0.88	145.92	24.63
	127.23	115.32	0.03	242.52	102.60	44.20	0.88	145.92	24.63
TOTAL	1,150.74	535.75	36.95	1,649.54	723.09	285.67	11.79	996.97	427.65

* This includes amounts transferred to general reserve as mentioned in Note 3.2 (d)

(Rupees in million)

ASSETS	GROSS BLOCK - AT COST			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK		
	'As on April 1, 2013'	Additions during the year	Deductions / Adjustments	'As on March 31, 2014'	'As on April 1, 2013'	Additions during the year	Deductions / Adjustments	'As on March 31, 2014'	'As on March 31, 2013'
Tangible									
Office Equipments	135.05	35.52	0.05	170.52	43.03	19.33	0.02	62.34	92.02
Leasehold Improvements	209.83	11.63		221.46	77.65	20.94	(0.01)	98.60	132.18
Furniture And Fixtures	59.03	4.77		63.80	27.63	5.77	-	33.40	31.40
Computers	524.69	47.24	4.20	567.73	353.70	75.47	3.02	426.15	170.99
	928.60	99.16	4.25	1,023.51	502.01	121.51	3.03	620.49	426.59
INTANGIBLE									
Computer Software	106.88	20.53	0.18	127.23	80.97	21.77	0.14	102.60	25.91
	106.88	20.53	0.18	127.23	80.97	21.77	0.14	102.60	25.91
TOTAL	1,035.48	119.69	4.43	1,150.74	582.98	143.28	3.17	723.09	452.50

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
12 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
1 shares of SGD 1 each in eClerx Private Limited	0.01	0.01
Investments in Preference Shares		
Investments in subsidiaries		
7,776,000 (P.Y. 7,776,000) Optionally Convertible Redeemable Preference Shares of GBP 1 each in eClerx Investments Limited	642.65	642.65
TOTAL	999.09	999.09
Current Investments(valued at lower of cost and fair value)		
Investments in Mutual Funds		
1,511,018.91(P.Y Nil) units of Birla Sun Life Savings Fund-Direct Plan -Daily Dividend	151.55	-
1,112,426.654 (P.Y Nil) units of Birla Sun Life Floating Rate Fund STP - IP - Reinvestment - Daily Dividend	111.27	-
1,500,406.464(P.Y. Nil) units of Birla Sun Life Cash Plus - Daily Dividend	150.33	-
485,072.401 (P.Y. Nil) units of Birla Sun Life Floating Rate Long Term-Direct Plan-Daily Dividend	48.70	-
106,593.3274 (P.Y Nil) units of Kotak Liquid Scheme Plan A Daily Dividend	130.34	-
29,743.4765 (P.Y. Nil) units of Kotak Floater Short Term - Daily Dividend	30.09	-
Nil (P.Y 6002854.61) units of HDFC Quarterly Interval Fund	-	60.04
14,131,844.712 (P.Y.Nil) units of HDFC Cash Management Fund-Savings Plan - Direct Plan - Daily Dividend	150.31	-
6,403,159.593 (P.Y Nil) units of HDFC FRIF-Short Term Plan - Direct Plan - Daily Dividend	64.55	-
Nil (P.Y 11,836,142) units of Kotak Banking & PSU Debt Fund	-	119.13
1,500,910.39 (P.Y. 1,346,085) units of ICICI Prudential Money Market Fund - Direct Plan-Daily Dividend	150.31	134.80
Nil (P.Y. 13,938,115) units of ICICI Prudential Ultra Short term Fund-Daily Dividend	-	140.86
506,904.357 (P.Y. Nil) units of ICICI Prudential Savings Fund-Direct Plan - Daily Dividend	50.85	-
Nil (P.Y.10,000,000) units of IDFC Interval Fund - Direct Plan	-	100.00
40,080.364 (P.Y. Nil) units IDFC Cash Fund	40.10	-

Notes to the Financial Statements

for the year ended March 31, 2015

	(Rupees in million)	
	As at March 31, 2015	As at March 31, 2014
10,186,013.720(P.Y. Nil) units of IDFC Ultra Short Term Fund Direct Plan - Daily Dividend	102.42	-
Nil (P.Y. 45,257) units of Reliance Liquid Fund - Treasury Plan	-	45.28
151,535.751(P.Y. Nil) units of Reliance Money Manager Fund-ISIN-Daily Dividend	151.86	-
Nil (P.Y. 7,165,970) units of Reliance Medium Term Fund-Daily Dividend	-	122.51
Nil (P.Y. 142,273) units of DSP Black Rock Money Manger Fund - Liquid Plus	-	142.87
Nil (P.Y. 5,180,150) units of DWS Ultra Short Term Fund	-	51.89
Nil (P.Y. 9,831,493) units of DWS Treasury Fund - Investment - Direct Plan	-	100.50
613,223.004 (P.Y. Nil) units of DWS Insta Cash Plus Fund	61.51	-
79,534.224 (P.Y. Nil) units of UTI Liquid Fund - Cash Plan	81.08	-
Nil (P.Y. 53,244) units of Baroda Pioneer Liquid Fund Plan B	-	53.28
Nil (P.Y. 50,291) units of BOI AXA Treasury advantage fund direct plan - Daily Dividend	-	50.32
TOTAL	1,475.27	1,121.48
Aggregate value of unquoted investments	999.09	999.09
Aggregate value of quoted investments (Market value : Rs. 1,475.27 million (P.Y. Rs 1,121.48 million))	1,475.27	1,121.48
13 LOANS AND ADVANCES		
Non Current (Unsecured, considered Good)		
Corporate Premises Rent Deposit	153.94	120.36
Other Deposits	1.91	1.95
Advance tax (Net)	12.65	7.93
Capital Advances	7.16	16.90
Service Tax Credit	457.74	457.06
TOTAL	633.40	604.20
Current (Unsecured, considered Good)		
Staff Accommodation Rent Deposit	0.96	0.96
Service Tax Credit	50.63	-
Prepaid Expenses	23.33	12.48
Other Advances	19.42	13.56
TOTAL	94.34	27.00

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
14 TRADE RECEIVABLES (UNSECURED)		
Considered good		
Outstanding for a period exceeding six months	4.43	7.72
Other debts	1,135.83	811.08
TOTAL	1,140.26	818.80
15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash on Hand	-	0.31
Balances in Current accounts with banks	1,495.58	1,144.28
Unpaid Dividend account *	1.66	1.34
	1,497.24	1,145.93
Other Bank Balances		
Balance with banks in fixed deposit accounts (of original maturity more than 3 months but less than 12 months)	880.00	1,067.92
Fixed deposits pledged with banks against bank guarantees	1.46	0.89
Earmarked balances with banks *	-	10.13
	881.46	1,078.94
TOTAL	2,378.70	2,224.87
* The Company can utilise these balances only toward settlement of the respective unpaid dividend and earmarked balances for buyback of shares		
16 OTHER CURRENT ASSETS		
Unbilled Revenues	934.12	771.56
Recoverable expenses from clients	14.18	10.11
Forward Contract	293.96	-
Amortised Premium on Forward Contracts (refer note 3.1(l))	-	194.69
Interest accrued but not due	45.61	34.78
TOTAL	1,287.87	1,011.14

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
17 OTHER INCOME		
Interest on Fixed Deposit	151.10	100.33
Foreign Exchange Gain (net)	116.12	19.05
Dividend Income	51.80	38.01
Profit on Sale of Investments (net)	0.17	0.18
Profit/(Loss) on Sale of Fixed Assets (net)	(1.05)	0.04
Miscellaneous Income	-	0.02
TOTAL	318.14	157.63
18 EMPLOYEE BENEFIT EXPENSES		
Salaries and Bonus	2,732.46	2,090.17
Employee Stock Option Scheme	(0.41)	(1.16)
Contribution to Provident fund	25.29	6.34
Gratuity (refer note 30)	43.62	15.00
Staff Welfare expenses	21.04	19.84
TOTAL	2,822.00	2,130.19

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
19 OTHER EXPENSES		
Cost of Technical Sub-Contractors	22.20	22.15
Sales and Marketing Services	1,521.58	1,111.00
Rent (refer note 24)	285.30	212.70
Legal and Professional Fees	146.11	51.63
Electricity	93.79	62.80
Communication Expenses	67.28	61.54
Auditors' remuneration (refer note 20)	4.43	2.11
Office Expenses	30.55	33.90
Rates and Taxes	8.54	18.64
Bank Charges	5.42	8.63
Computer and Electrical Consumables	71.33	57.08
Printing and Stationery	6.48	4.09
Local Conveyance	59.34	37.53
Corporate Social Responsibility Expenditure	46.37	-
Donation	-	11.36
Housekeeping Services	24.41	17.85
Security Charges	48.94	38.08
Insurance	7.47	7.19
Subscription and Membership	13.43	8.78
Repairs and Maintenance		
- Building	5.78	1.25
- Others	9.78	6.49
Accounts Receivable Processing Charges	3.82	-
Board Meeting Sitting Fees	0.92	0.76
Bad Debts Written off	3.08	0.86
Advertisement Expenses	1.21	1.03
Traveling Expenses	199.92	145.40
Business Promotion Expenses	3.68	2.82
Miscellaneous Expenses	2.32	2.10
TOTAL	2,693.48	1,927.77

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
20. AUDITORS' REMUNERATION		
As Auditor :		
Statutory audit and Limited Review	4.01	1.95
In other capacity:		
Certification Fees	0.22	0.10
Out of Pocket Expenses	0.20	0.06
TOTAL	4.43	2.11

21. SHARE APPLICATION MONEY PENDING ALLOTMENT

Amounts received for 9,000 shares with an exercise price of Rs. 111.47 and 1,000 shares with an exercise price of Rs. 343.33 under ESOP Plan 2008 is pending for allotment.

22. SEGMENT REPORTING

The Company's primary segment are based on the nature of services provided which is data analytics and process outsourcing services.

The Company's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue and asset information regarding the Company's geographical segments:

(Rupees in million)

Operational Revenues	Year ended March 31, 2015	Year ended March 31, 2014
United States of America	5,960.48	5,073.19
United Kingdom	475.36	309.31
Europe	1,387.79	1,358.25
Asia Pacific	359.72	393.09
TOTAL Revenues	8,183.35	7,133.84

(Rupees in million)

Segment-wise Assets	Segment-wise Assets	
	As at March 31, 2015	As at March 31, 2014
United States of America	1,575.53	1,078.31
United Kingdom	1,142.14	1,103.45
Europe	274.24	319.96
Asia Pacific	5,668.42	4,735.36
Unallocated	60.28	36.67
TOTAL	8,720.61	7,273.75

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

Segment-wise Addition to Fixed assets	Year ended March 31, 2015	Year ended March 31, 2014
Asia Pacific	535.76	119.69
TOTAL	535.76	119.69

23. 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, 2015	As at March 31, 2014
Deferred Tax Assets		
Depreciation	9.33	4.71
Provision for gratuity	17.49	11.17
Provision for compensated absences	11.43	3.27
Provision for lease equalisation	9.37	9.60
TOTAL	47.62	28.75

24. 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)

	Year ended March 31, 2015	Year ended March 31, 2014
Lease payments recognised in the Statement of Profit and Loss	285.30	212.70
Future minimum lease payments for non-cancellable operating leases		
Not Later than one year	110.21	51.60
Later than one year, but not later than five years	189.57	46.99

25. CAPITAL AND OTHER COMMITMENTS

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	52.20	59.75
Other Commitments		
The Company signed on March 31, 2015 a definitive agreement to acquire 100% of CLX Europe, S.P.A. through its overseas subsidiary eClerx Investments (U.K.) Limited and the closing documents to effect the same acquisition were signed on April 21, 2015	1,687.75	-

Notes to the Financial Statements

for the year ended March 31, 2015

26. EMPLOYEES STOCK OPTION PLAN (ESOP)

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, 2015		Year ended March 31, 2014	
	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	583,980	564.07	1,009,725	464.99
Forfeited / cancelled	227,033	690.26	90,300	642.24
Exercised	173,978	427.82	335,445	244.77
Balance as at the end of the year	182,969	537.05	583,980	564.07
Exercisable at the end of the year	182,969	-	190,680	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2015 is 1.54 years (March 31, 2014: 2.61 years). The average vesting period is 2.83 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year was Rs. 111.47 to Rs. 690.26 (March 31, 2014: Rs. 111.47 to Rs. 690.26).

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, 2015		Year ended March 31, 2014	
	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	1,019,828	673.62	545,001	740.44
Granted during the year	618,288	1,181.45	624,658	618.55
Forfeited / cancelled	159,881	841.41	145,331	685.44
Exercised	-	-	4,500	740.44
Balance as at the end of the year	1,478,235	867.88	1,019,828	673.62
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2015 is 4.14 years (March 31, 2014: 4.63 years). The average vesting period is 2.87 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year was Rs. 618.55 to Rs. 1181.45 (March 31, 2014: Rs. 618.55 to Rs. 740.44).

Notes to the Financial Statements

for the year ended March 31, 2015

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, 2015	Year ended March 31, 2014
Net Profit after tax as reported	2,157.66	2,465.10
Add - Intrinsic Value Cost	(0.41)	2.16
Less - Fair Value Cost	66.34	100.38
Adjusted proforma Net Profit	2,090.91	2,366.88
Basic EPS as reported	71.23	82.09
Proforma Basic EPS	69.03	78.71
Diluted EPS as reported	69.64	79.85
Proforma Diluted EPS	67.69	76.56

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

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%
Expected life of options granted 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	May 20, 2014
Expected Volatility	49.10%	37.48%	33.93%
Risk Free Interest Rate	8.31%	7.26%	8.72%
Expected life of options granted in years	4.45	4.36	4.37
Dividend Yield	2.32%	4.04%	2.96%

The weighted average fair value of stock options granted during the year was Rs. 386.33 (March 31, 2014 : Rs. 183.67).

Notes to the Financial Statements

for the year ended March 31, 2015

27. RELATED PARTY & KEY MANAGEMENT PERSONNEL INFORMATION

A. RELATED PARTIES & KEY MANAGEMENT PERSONNEL

Name of related party and related party relationship

(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.)
7. eClerx Investments (U.K.) Limited (wholly owned subsidiary)

(b) Related party under Accounting Standard 18 – Related Party Transactions and as per Companies Act, 2013 with whom transactions have taken place during the year

(I) Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:

1. Duncan Stratton & Company Limited

(II) Key Management Personnel:

1. V.K. Mundhra (Chairman)
2. PD Mundhra (Executive Director)
3. Anjan Malik (Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Gaurav Tongia (Company Secretary)

Notes to the Financial Statements

for the year ended March 31, 2015

B. DETAILS OF RELATED PARTY & KEY MANAGEMENT PERSONNEL TRANSACTIONS:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rupees in million)

Sr. No.	Name	Nature of Transaction	Relationship	Transactions during the year		Outstanding Balance as at	
				March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
1	eClerx Limited	Sales and Marketing Services	Wholly owned subsidiary	516.24	411.05	115.73 Payable	68.68 Payable
		Expenses incurred by holding Company on behalf of subsidiary		0.72	3.13		
		Expenses incurred by subsidiary on behalf of holding Company		0.16	--		
2	eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	922.69	626.19	92.66 Payable	60.64 Payable
		Expenses incurred by holding Company on behalf of subsidiary		1.68	0.25		
		Amount received by holding Company on behalf of the subsidiary		2.31	--		
3	eClerx Investments Limited	Redemption of Optionally Convertible Redeemable Preference Shares	Wholly owned subsidiary	--	129.09	--	--
4	Anjan Malik	Dividend	Director	277.28	198.06	--	--
5	PD Mundhra	Remuneration	Executive Director	22.93	23.12	--	--
		Dividend	Director	277.13	197.95	--	--
6	V.K. Mundhra	Dividend	Director	1.13	0.81	--	--
7	Rohitash Gupta	Remuneration	Key Management Personnel	13.19	10.26	--	--
		Dividend		2.73	1.85	--	--
8	Gaurav Tongia	Remuneration	Key Management Personnel	3.06	2.44	--	--
		Dividend		0.02	-	--	--
9	Duncan Stratton & Company Limited	Rent	Common Director	0.06	0.03	--	--
10	eClerx Private Limited	Sales and Marketing Services	Wholly owned Subsidiary	82.65	73.76	9.92 Payable	19.09 Payable
		Expenses incurred by holding Company on behalf of subsidiary		0.74	0.24		
11	Agilyst Consulting Private Limited	Loan Repaid*	Step-down Subsidiary	--	30.00	--	--
		Interest on loan		--	3.49	--	--
		Expenses incurred by the holding Company on behalf of subsidiary		0.40	6.96	0.02 Receivable	--
		Purchase of Assets		0.05	0.41	--	--
		Expenses incurred by the step-down subsidiary on behalf of the Company		--	9.04	--	--
		Expenses incurred by the Company		--	11.23	--	--

*Loan given to related party payable on demand. This loan carries an interest rate of 14.75% p.a.

Note: The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Notes to the Financial Statements

for the year ended March 31, 2015

28. DISCLOSURE PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT

There are no loans and advances in nature of loans outstanding from subsidiary for the year ended March 31, 2015.

29. 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, 2015	Year ended March 31, 2014
Profit after tax attributable to shareholders (Rupees in million)	A	2,157.66	2,465.10
Weighted average number of equity shares considered for computing basic EPS .	B	30,291,337	30,027,795
Effect of Dilution			
Stock options grant under ESOP		691,369	843,452
Weighted average number of equity shares considered for computing diluted EPS .	C	30,982,706	30,871,247
Earnings per share (Rs.)			
- Basic	A/B	71.23	82.09
- Diluted	A/C	69.64	79.85
Nominal value of shares (Rs.)		10.00	10.00

30. 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, 2015 as required under AS 15 (Revised) as notified under the Companies Act, 2013 under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

Notes to the Financial Statements

for the year ended March 31, 2015

(Rupees in million)

Change in Defined Benefit Obligation	As at March 31, 2015	As at March 31, 2014
Opening Defined Benefit Obligation	74.87	67.68
Interest cost	6.98	5.41
Current service cost	22.04	21.43
Benefits paid by the employer	-	(0.61)
Benefits paid by the fund	(10.85)	(7.66)
Actuarial (gain) / loss	15.25	(11.38)
Closing Defined Benefit Obligation (A)	108.29	74.87

(Rupees in million)

Change in fair value of assets	As at March 31, 2015	As at March 31, 2014
Opening fair value of assets	5.67	2.87
Expected Return on plan assets	0.49	0.25
Contribution by employer	7.61	10.00
Benefits paid from the fund	(10.85)	(7.66)
Actuarial gain	0.16	0.21
Closing fair value of plan assets (B)	3.08	5.67
Liability as per Balance Sheet (A-B)	105.21	69.20

(Rupees in million)

Net Employee Benefit recognised in employee cost	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	22.04	21.43
Interest cost	6.98	5.41
Expected Return on plan assets	(0.49)	(0.25)
Actuarial (gain) / loss	15.10	(11.59)
Total included in employment expenses	43.62	15.00

Principle Assumptions used in determining gratuity benefit obligation for the Company's plans are shown as below:

Actual return on Plan Assets	9%	9%
Financial assumptions at valuation date		
Discount rate	7.99%	9.32%
Rate of increase in compensation levels of covered employees	7%	5%
Expected rate of return on plan assets	7.99%	8.70%

Notes to the Financial Statements

for the year ended March 31, 2015

Amounts for the current and previous four periods are as follows:

(Rupees in million)

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Gratuity					
Defined benefit obligation	108.29	74.87	67.67	48.82	21.85
Plan assets	3.08	5.67	2.87	1.83	1.35
Surplus / (deficit)	(105.21)	(69.20)	(64.80)	(46.99)	(20.50)
Experience adjustments on plan liabilities	(4.48)	(1.67)	(0.57)	(1.25)	-
Experience adjustments on plan assets	0.16	0.22	0.01	0.01	0.14

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2015	March 31, 2014
Investments with insurer	100%	100%

31. FORWARD CONTRACTS IN FOREIGN CURRENCIES

List of outstanding forward contracts taken against highly probable sales forecast :

As at March 31, 2015				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward Contract to Sell	2015 – 16	USD	\$75.90	66.61
		Euro	€ 8.42	86.68
	2016 – 17	USD	\$25.10	68.65
		Euro	€ 3.54	83.30

As at March 31, 2014				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward Contract to Sell	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 on the balance sheet date, the Company's net foreign currency exposure that is not hedged is Rs. 912.29 million (P.Y. Rs. 658.98 million).

Notes to the Financial Statements

for the year ended March 31, 2015

32. The Company has deferred the recognition of cumulative Minimum Alternative Tax (MAT) credit of Rs.326.39 million as at March 31, 2015 (P.Y. Rs 266.23 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.

33. CSR EXPENDITURE

Gross amount required to be spent : Rs. 46.34 Million

Amount spent during Financial Year: Rs. 46.37 Million

(Rupees in million)

Sr. No.	CSR Activities	In Cash	Yet to be spent in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	46.37	-	46.37

34. DUES TO MICRO AND SMALL 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.

35. CONTINGENT LIABILITIES

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
Guarantees given by the Company on behalf of various subsidiaries against credit facilities (see note (a))	4.25	2.60
Income Tax demands (see note (b))	30.46	13.29
Indirect Tax demands	7.76	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 ITAT against the demand raised by the Assessing Officers amounting to Rs. 13.29 million for Financial Year 2004-05 and 2006-07. The department has preferred appeal to High Court for Financial Year 2004-05 and 2006-07 and filed Special Leave Petition with Supreme Court for Financial Year 2006-07. The Company has received demand amounting to Rs. 17.17 millions for Financial Year 2010-11 against which Company has filed appeal with Commissioner of Income Tax (Appeals)
- Service Tax refund claims filed by the Company from October 2009 till March 2012 for Rs. 241.51 million out of which Rs.83.12 million was rejected by the Commissioner of Central Excise (Appeals). The Company has filed an appeal with CESTAT. Also out of service tax refund claims filed by the Company and assessed by the department from April 2012 to Sept 2013 for Rs.185.15 million, claims for Rs. 115.21 million was rejected by the service tax department. The Company has filed an appeal for Rs. 32 millions with Commissioner of Central Excise/Service Tax (Appeals) and for Rs. 83.21 millions the company is in process of filing an appeal with the designated appellate authority.

Notes to the Financial Statements

for the year ended March 31, 2015

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.

36. SUPPLEMENTARY STATUTORY INFORMATION.

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
CIF value of imports:		
Capital Goods	198.14	76.21
Expenditure in foreign currency:		
Sales and Marketing Services	1,521.58	1,111.00
Other Expenses	22.76	5.74
Earnings in foreign exchange:		
Income from services	8,159.91	7,092.55
Remittance in foreign currency on account of dividend* (Rupees in million)		
Dividend for the year		
2013-14	285.65	-
2012-13	-	365.63
Number of non-resident shareholders for the year		
2013-14	465	
2012-13		358
Shares held by non-resident shareholders on which dividend was due for the year*		
2013-14	8,161,290	
2012-13	-	14,625,130

*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 2012-13 and 2013-14.

Notes to the Financial Statements

for the year ended March 31, 2015

37. SUBSEQUENT EVENTS

The Company acquired the entire shareholding of CLX Europe S.P.A a joint stock Company based in Italy through its overseas subsidiary eClerx Investments (UK) Limited effective April 21, 2015 for a consideration not exceeding Euro 25 million. The transaction is funded from the Company's internal accruals.

38. 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.

39. Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's presentation. The figures of the previous year were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates LLP.

As per our report of even date

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

For and on behalf of the Board of Directors of eClerx Services Limited

V.K. Mundhra

Chairman

P.D.Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Independent Auditor's Report

To the Members of eClerx Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of eClerx Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") 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, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act,

the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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.

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 auditor's 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated 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 of the consolidated state of affairs of the Group as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of

India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiary incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of

the directors of the Group's companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 34 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 25, 2015

Annexure referred to in paragraph [1] under Report on Other Legal and Regulatory Requirements of our report of even date

Re: The Group, comprising eClerx Services Limited ('Holding Company') and its subsidiary incorporated in India and to whom the provisions of the Order apply (herein after referred to as 'the Covered entity' in this report)

- (i) a) The Holding Company and the Covered entity of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and the Covered entity during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the of the Holding Company and the Covered entity of the Group and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The business of the Holding Company and the Covered entity of the Group does not involve inventories and, accordingly, the requirements under paragraph 4 (ii) of the Order are not applicable to the Holding Company and the Covered entity of the Group and hence not commented upon.
- (iii) According to the information and explanations given to us, the Holding Company and the Covered entity of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Holding Company and the Covered entity of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entity of the Group and the nature of its businesses, for the purchase of fixed assets and the sale of services, to the extent applicable to the nature of the business of the Holding Company and the Covered entity of the Group. The activities of the Group do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entity of the Group in respect of these areas.
- (v) The Holding Company and the Covered entity of the Group have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Holding Company and the Covered entity of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of the Holding Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable for the Holding Company and Covered entity of the Group.

- (c) According to the records of the Holding Company and the Covered entity of the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax demand	9,670,433	Assessment Year 2005-06	High Court
Income tax Act, 1961	Income tax demand	3,532,594	Assessment Year 2007-08	High Court & Supreme Court
Income tax Act, 1961	Income tax demand	86,829	Assessment Year 2009-10	Commissioner of Income tax (Appeal)
Income tax Act, 1961	Income tax demand	Note1	Assessment Year 2010-11	Commissioner of Income Tax(Appeal)
Income tax Act, 1961	Income tax demand	17,171,150	Assessment Year 2011-2012	Commissioner of Income tax (Appeal)
Income tax Act, 1961	Income tax demand	7,264,170	Assessment Year 2011-12	Commissioner of Income Tax(Appeal)

Note1 - Demand of Rs. 1,576,730 has been paid under protest.

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Holding Company and the Covered entity of the Group does not have accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Holding Company and the Covered entity of the Group did not have any dues to any financial institution, bank or debenture holder during the year.
- (x) According to the information and explanations given to us, the Holding Company and the Covered entity of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Holding Company and the Covered entity of the Group did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Consolidated Financial Statements and as per the information and explanations given by the management, we report that no fraud on or by the Holding Company and the Covered entity of the Group have been noticed or reported during the year.

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 25, 2015

Consolidated Balance Sheet

as at March 31, 2015

	Note	As at March 31, 2015	As at March 31, 2014
(Rupees in million)			
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	4	303.51	301.77
Reserves and Surplus	5	6,845.18	5,587.75
		7,148.69	5,889.52
Share Application Money Pending Allotment	22	1.35	-
Non Current Liabilities			
Deferred Tax Liability (net)	24	18.12	18.75
Long Term Provisions	6	110.49	69.43
Other Non Current Liabilities	7	104.08	96.63
		232.69	184.81
Current Liabilities			
Trade Payables	8	17.17	10.86
Other Current Liabilities	9	353.98	236.00
Short-term Provisions	10	1,837.81	1,592.56
		2,208.96	1,839.42
TOTAL		9,591.69	7,913.75
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	695.09	558.04
Intangible Assets	11	975.26	989.62
Capital Work in Progress		11.49	10.76
Deferred Tax Assets (net)	24	69.74	37.06
Loans and Advances	12	650.22	637.11
		2,401.80	2,232.59
Current Assets			
Current Investments	13	1,552.87	1,154.79
Trade Receivables	14	1,261.39	987.26
Cash and Bank Balances	15	2,865.75	2,405.57
Loans and Advances	12	151.16	80.50
Other Current Assets	16	1,358.72	1,053.04
		7,189.89	5,681.16
TOTAL		9,591.69	7,913.75
Summary of Significant accounting policies	3.2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

For and on behalf of the Board of Directors of eClerx Services Limited

V.K. Mundhra
Chairman**P.D. 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, 2015

	Note	Year ended March 31, 2015	Year ended March 31, 2014
(Rupees in million)			
INCOME			
Revenue from Operations		9,421.20	8,409.94
Other Income	17	323.52	110.20
		9,744.72	8,520.14
EXPENDITURE			
Employee Benefit Expense	18	4,398.09	3,466.38
Other Expenses	19	1,867.07	1,407.78
Depreciation and Amortisation Expense	11	500.22	330.28
		6,765.38	5,204.44
		2,979.34	3,315.70
Profit Before Taxes			
Tax Expense			
- Current Tax			
Pertaining to Current Year		711.82	763.94
Pertaining to Previous Year		(0.97)	0.45
- Deferred Tax		(28.27)	(5.25)
		682.58	759.14
Profit After Tax		2,296.76	2,556.56
Earnings per share			
	29		
Earning Per Share (in Rs.) [nominal value of share Rs. 10 (P.Y. Rs.10)]			
- Basic		75.82	85.14
- Diluted		74.13	82.81
Summary of Significant accounting policies	3.2		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For and on behalf of the Board of Directors of eClerx Services Limited

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

V.K. Mundhra
Chairman**P.D. 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

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	2,979.34	3,315.70
Adjustments for :		
Depreciation	500.22	330.28
Stock Options Charge	(0.41)	(1.16)
Unrealised Foreign Exchange (Gain)/ Loss	(21.30)	14.45
Profit on Sale of Investments	(0.16)	(0.18)
(Profit)/Loss on Sale of assets	1.06	(0.05)
Bad Debts Written off	3.08	0.86
Dividend Income	(56.47)	(39.64)
Interest Income	(151.61)	(97.94)
Operating Profit Before Working Capital Changes	3,253.75	3,522.32
Adjustments for :		
Increase in Trade Receivables	(255.38)	(330.96)
Increase in Non Current Loans and Advances	(13.57)	(174.35)
Increase in Current Loans and Advances	(70.65)	(6.60)
Increase in Other Current Assets	(140.71)	(301.69)
Increase/(Decrease) in Trade Payables	5.79	(33.35)
Increase in Other Current Liabilities	117.96	44.56
Increase in Other Non Current Liabilities	7.45	18.79
Increase/(Decrease) in Short term Provision	161.89	(27.31)
Increase in Long term Provision	41.06	4.47
Cash Generated by Operating Activities	3,107.59	2,715.88
Income Taxes paid (net of refunds)	(675.89)	(767.29)
Net Cash Generated by Operating Activities	2,431.71	1,948.59
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Current Investments	3,157.58	2,682.85
Purchase of Current Investments	(3,555.50)	(3,485.61)
Investment in bank deposits (having original maturity of more than three months)	(2,140.57)	(1,577.62)
Redemption/maturity of bank deposits (having original maturity of more than three months)	2,327.92	1,356.19
Payment for acquisition of business, net of cash acquired	-	(233.90)
Sale of Fixed Assets	4.22	3.10
Purchase of Fixed Assets (including Capital work in progress)	(613.78)	(214.42)
Interest received	140.72	92.60
Dividend received	56.47	39.64
Net Cash used in Investing Activities	(622.94)	(1,337.17)

Consolidated Cash Flow Statement

for the year ended

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity issued	74.43	85.44
Proceeds from equity issued pending allotment	1.35	-
Buyback of equity share capital	-	(30.65)
(Deposit)/Proceeds in/from Escrow account for buy back of shares	10.13	(10.13)
Dividend Paid	(1,060.08)	(758.53)
Dividend Tax Paid	(180.16)	(121.56)
Net Cash used in Financing Activities	(1,154.33)	(835.43)
Effect of Exchange fluctuation on Cash and Cash Equivalents	2.89	49.50
Net (Decrease) / Increase in Cash and cash equivalents	657.33	(174.52)
Cash and Cash Equivalents at the beginning of the year	1,318.45	1,492.97
Cash and Cash Equivalents at the end of the year (refer note 15)	1,975.78	1,318.45
Summary of Significant accounting policies	3.2	
The accompanying notes are an integral part of these financial statements		

As per our report of even date

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

For and on behalf of the Board of Directors of eClerx Services Limited

V.K. Mundhra

Chairman

P.D.Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

1. CORPORATE INFORMATION

eClerx Services Limited ('the Company') and its subsidiaries (collectively referred to as "the Group") is engaged in providing Knowledge Process Outsourcing (KPO) services to global companies. Established in 2000, the Company provides data analytics and customised process solutions to a host of global clients through a network of multiple locations in India, and is headquartered in Mumbai.

2. BASIS OF PREPARATION

The Consolidated Financial Statements of the Group have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Group has prepared these Consolidated Financial Statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention, except derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of Consolidated Financial Statements are consistent with those of previous year, except for the change in accounting policy which has been disclosed in note 3(l) below.

3. 3.1 CHANGE IN ACCOUNTING POLICY

(l) Derivative Instruments and hedge accounting

Upto March 31, 2014 the Group was amortising the premium or discount on all forward contracts entered into to hedge the foreign currency risk arising at the inception of each contract as income or expense over the life of the contract. Any profit or loss arising on maturity, cancellation or renewal of forward contracts was recognised as income or as expense for the year.

From April 1, 2014 the Group has adopted the principles of Accounting Standard 30, Financial Instruments: Recognition and Measurement (AS-30) issued by Institute of Chartered Accountants of India ('ICAI') to the extent the adoption of AS-30 does not conflict with existing accounting standards specified under section 133 of the Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014. Accordingly, in respect of forward contracts taken on or after April 1, 2014, the Group designates the forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 in respect of cash flow hedge whereby the effective portion of the gain or loss on the hedging instrument is recognised directly under shareholders fund in the hedging reserve and reclassified into the statement of profit and loss upon the occurrence of the hedged transaction. Changes in the fair value relating to the ineffective portion of the hedges and also relating to forward contracts that do not qualify for hedge accounting are recognised in the statement of profit and loss. Had the Group continued to follow the earlier policy, its total other income and profit after tax for the year ended March 31, 2015 would have been higher by Rs. 151.48 million and Rs. 119.73 million, respectively.

(ll) Depreciation on fixed assets

Depreciation on assets costing less than Rs 5,000

Upto year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Group was charging 100% depreciation on assets costing less than Rs.5,000 in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from the current year, does not recognise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Group has changed its accounting policy for depreciations of assets costing less than Rs. 5,000. As per the revised policy, the Group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000 did not have any material impact on Consolidated Financial Statements of the Group for the current year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(III) Employee Stock Compensation Cost

Upto October 27, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, dealt with the grant of share-based payments to employees. Among other matters, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the company being a listed entity was required to comply with these Guidelines as well as the Guidance Note on Accounting for Employee Share-based Payments with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the ICAI Guidance Note.

From October 28, 2014, the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 have been replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014. The new regulations do not contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the Company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the consolidated statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., October 28, 2014.

Since there are no equity settled options expiring unexercised after October 28, 2014, the change in accounting policy did not have any material impact on Consolidated Financial Statements of the Company for the current year.

3.2 SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

The preparation of the Consolidated 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 Consolidated Financial Statements. Management believes that the estimates made in the preparation of Consolidated 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.

b) Basis of consolidation

The Consolidated Financial Statements comprises the financial statements of the Company and its subsidiaries as disclosed in note 20. The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of Consolidated Financial Statements as laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements". The Consolidated Financial Statement has 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 like items of assets, liabilities, income and expenses.
- ii) The Consolidated Financial Statements 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 net worth is recognized as goodwill/capital reserve.
- iv) Consolidated Financial Statements are prepared by fully eliminating intra-group balances, intra group transactions and unrealised profits/losses from intra-group transactions

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

c) 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 revenue in excess of billings as at the balance sheet date.

Advance billing included in other current liabilities represents 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 Group's right to receive dividend is established.

d) Fixed assets

Tangible Assets

Assets are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss. 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.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

e) Depreciation and amortisation

The Group provides depreciation on tangible fixed assets using the Written Down Value Method. Pursuant to the Companies Act, 2013, being effective from April 01, 2014, the management has re-estimated useful lives and residual values of its fixed assets. The Group has revised the depreciation rates on all its tangible fixed assets (other than lease hold assets) as per the useful life specified in Part 'C' of Schedule II to the Companies Act, 2013. Upto the year ended March 31, 2014, the Group charged depreciation at the rates computed based on estimated useful lives of the assets as estimated by the management, which were equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956.

As per the provisions of Schedule II, depreciation of Rs. 15.77 million (Rs. 21.20 million net of deferred tax effect of Rs. 5.43 million) is charged against General Reserve. Additional depreciation Rs. 132.55 million is charged to the consolidated statement of profit and loss for the year ended March 31, 2015 due to this change.

The Group has used the following rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management (years)
Office Equipment	5 years
Furniture and Fixtures	10 years
Computers	
- End User Devices	3 years
- Servers	6 years
Leasehold improvements	Lease term

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis which generally do not exceed ten years. Goodwill on consolidation is amortised over a period of ten years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

f) 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 Consolidated Financial Statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost and provisions recorded to recognize 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 Group and is determined as the difference between the sales price and the carrying value of the investment.

g) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. 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 consolidated statement of profit and loss or against revaluation surplus where applicable. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

h) Retirement and Other Employee benefits

India

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. 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 Group's contributions are charged to consolidated statement of profit and loss on accrual basis. The Group's has no further obligations under these plans beyond its monthly contributions.

Gratuity

The Group provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Actuarial valuation is done by an independent actuary as at the balance sheet date using the projected unit credit method and actuarial gains and losses are recognised in full in the period in which they occur in the consolidated statement of profit and loss.

Compensated Absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group treats the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains / losses are immediately taken to consolidated statement of profit and loss and are not deferred.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

Subsidiary in United States of America

Two of the subsidiaries of the Group, "eClerx LLC" and "Agilyst Inc" 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 consolidated statement of profit and loss in the period in which they accrue.

Subsidiary in Singapore

Central Provident Fund

As required by law, one of the subsidiary of the Group, "eClerx Private Limited" contributes to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore in respect of eligible employees. Contributions are charged to the consolidated statement of profit and loss on accrual basis.

i) 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 a year is charged to the consolidated statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. 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 income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

j) Leases

Operating Lease

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

k) Derivative Instruments and Hedge Accounting

The Group uses derivative financial instruments (foreign currency forward contracts) to hedge its risks with foreign currency fluctuations relating to certain highly probable forecast transactions. The use of forward contracts to hedge foreign currency risk is governed by the Group's strategy, which provides principles on the use of such forward contracts, consistent with the Group's Foreign Exchange Risk Management Policy. The Group does not use derivative financial instruments for speculative purposes. The derivative instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. In respect of derivatives entered into on or after April 1, 2014 and designated as hedges, the Group follows the hedge accounting principles of AS 30 Financial Instruments: Recognition and Measurement and formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in cash flows of the hedged item. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in the hedging reserve account under shareholders' funds. Changes in the fair value relating to the ineffective portion of the hedges and also relating to the forward contracts that do not qualify for hedge accounting are recognised in the consolidated statement of profit and loss. Hedge accounting is discontinued from the last testing date when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Cumulative gain or loss on such hedging instrument recognised in shareholders' funds is retained until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders funds is transferred to the consolidated statement of profit and loss for the year.

l) 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 consolidated statement of profit and loss.

Foreign currency denominated monetary items at year end are translated at exchange rates as on the reporting date and the resulting net gain or loss is recognised in the consolidated statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

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 until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognised as income or as expenses in the consolidated statement of profit and loss in same period in which the gain or loss on disposal is recognised.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

m) Employee stock compensation cost

The Company grants stock options from time to time to its employees and also to employees of its subsidiaries.

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments issued by ICAI, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

n) Cash and Cash Equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

o) Provisions and contingencies

The Group 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
4 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		
30,350,885 (P.Y. 30,176,907) equity shares of Rs. 10 each	303.51	301.77
	303.51	301.77

	March 31, 2015		March 31, 2014	
	No.	Rupees in million	No.	Rupees in million
a) Reconciliation of Paid - up Share Capital				
Opening at the beginning of the year	30,176,907	301.77	29,874,585	298.75
Add: Shares allotted during the year on account of exercise of share options by employees (refer note 27)	173,978	1.74	339,945	3.40
Less: Buyback of equity shares	-	-	37,623	0.38
Outstanding at the end of the year	30,350,885	303.51	30,176,907	301.77

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.

Subject to the provisions of Companies Act 2013 as to preferential payments, the assets of the Company shall, on its winding-up be applied in satisfaction of its liabilities pari-passu and, subject to such application, shall, unless the articles otherwise provide, will be distributed among the members according to their rights and interests in the Company.

- c) The Company has issued 9,538,674 (P.Y. 9,538,674) equity shares as fully paid up bonus shares by capitalising free reserves during the period of five years immediately preceding the balance sheet date. The company has bought back 37,623 shares (37623) during the period of 5 years immediately preceding the balance sheet date.

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

Name of the Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Share Capital	No. of Shares held	% of Share Capital
Anjan Malik	7,922,250	26.10%	7,922,250	26.25%
Priyadarshan Mundhra	7,917,862	26.09%	7,917,862	26.24%
Nambe Investment Holdings	-	-	2,765,785	9.16%
Matthews India Fund	2,339,076	7.71%	-	-

e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the company, please refer note 27.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
5 RESERVES AND SURPLUS		
General Reserve		
Opening balance	998.81	752.24
Add: Transfer/Adjustment during the year(refer note 3.2 e)	(15.77)	-
Add: Transferred from surplus balance in statement of profit and loss account	-	246.57
Closing Balance	983.04	998.81
Opening balance	-	-
Add: Gain on Cash Flow Hedge Derivative (net)	154.09	-
Closing balance	154.09	-
Capital Redemption Reserve		
Opening balance	0.38	-
Add: Transfer during the year	-	0.38
Closing balance	0.38	0.38
Securities Premium		
Opening balance	812.45	761.06
Add: On shares issued during the year	72.69	82.04
Add: Transfer on exercise of stock options	0.93	-
Less: On buyback of shares	-	30.27
Less : Transfer to Capital Redemption Reserve	-	0.38
Closing balance	886.07	812.45
Stock Option Outstanding		
Opening balance	8.06	9.22
Add: Transfer during the year	2.61	2.16
Less: Reversed on stock options cancelled/forfeiture during the year	3.03	3.32
Less: Transferred to securities premium on exercise of stock options	0.93	-
Closing balance	6.71	8.06
Surplus in the Statement of Profit and Loss Account		
Balance brought forward from previous year	3,600.03	2,532.02
Profit after tax	2,296.76	2,556.56
Surplus available for appropriation	5,896.79	5,088.58
Less : Appropriations		
Short Provision for Dividend and Dividend Tax	4.55	6.29
Proposed Dividend#	1,062.28	1,056.19
Tax on Proposed Dividend#	222.28	179.50
Transfer to General Reserve	-	246.57
Balance carried to Balance Sheet	4,607.68	3,600.03
# Proposed dividend of Rs 35 per share (P.Y. Rs 35 per share)		
Foreign Currency Translation Reserve		
Opening balance	168.02	29.99
Add: Foreign Currency Translation during the year	39.19	138.03
Closing balance	207.21	168.02
TOTAL RESERVES AND SURPLUS	6,845.18	5,587.75

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
6 LONG TERM PROVISIONS	-	-
Provision for Employee Benefits		
Provision for Gratuity (refer note 30)	110.49	69.43
TOTAL	110.49	69.43
7 OTHER NON CURRENT LIABILITIES		
Operating lease liabilities	104.08	96.63
TOTAL	104.08	96.63
8 TRADE PAYABLES		
Payable to micro and small enterprises	-	-
Other Trade Payables	17.17	10.86
TOTAL	17.17	10.86
9 OTHER CURRENT LIABILITIES		
Unclaimed Dividend	1.66	1.34
Advance Billing	20.37	45.36
Creditors for capital expenditure	23.88	2.78
Accrued Expenses	254.07	135.73
Statutory Dues	52.78	35.42
Operating lease liabilities	1.22	13.75
Deposits Payable	-	1.62
TOTAL	353.98	236.00
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Incentive Payable to employees	407.23	302.37
Provision for Gratuity (refer note 30)	10.10	10.30
Provision for Leave Encashment	80.54	23.30
	497.87	335.97
Others		
Provision for Taxation (Net)	55.38	20.90
Proposed Dividend #	1,062.28	1,056.19
Dividend Distribution Tax on Proposed Dividend	222.28	179.50
	1,339.94	1,256.59
TOTAL	1,837.81	1,592.56
# Proposed dividend of Rs 35 per share (P.Y. Rs 35 per share)		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

11 FIXED ASSETS

ASSETS	GROSS BLOCK - AT COST			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK				
	As on April 1, 2014	Additions during the year	Deductions / Adjustments	Translation Exchange Difference	As on March 31, 2015	As on April 1, 2014	Additions during the year	Deductions / Adjustments	Translation Exchange Difference	As on March 31, 2015	As on March 31, 2014
(Rupees in million)											
Tangible											
Leasehold Improvements	269.36	156.71	18.71	(1.30)	406.06	113.68	38.30	17.44	(0.29)	134.25	271.81
Office Equipments	235.46	132.42	1.56	1.16	367.48	74.49	119.80	(6.88)	0.41	201.58	165.90
Computers	691.23	169.29	5.58	0.68	855.62	486.00	150.54	(9.96)	0.37	646.87	205.23
Furniture And Fixtures	79.53	26.71	11.74	(0.05)	94.45	43.37	12.14	9.61	(0.08)	45.82	36.16
	1,275.58	485.13	37.59	0.49	1,723.61	717.54	320.78	10.21	0.41	1,028.52	558.04
Intangible											
Goodwill	1,149.22			47.61	1,196.83	208.24	119.76	-	11.33	339.33	857.50
Computer Software	175.11	127.95	0.03	0.01	303.04	126.47	59.68	0.89	0.02	185.28	48.64
	1,324.33	127.95	0.03	47.62	1,499.87	334.71	179.44	0.89	11.35	524.61	989.62
TOTAL	2,599.91	613.08	37.59	48.11	3,223.51	1,052.25	500.22	11.10	11.76	1,553.13	1,547.66

* This includes amounts transferred to general reserve as mentioned in Note 3.2 (e)

ASSETS	GROSS BLOCK - AT COST			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK				
	As on April 1, 2013	Additions during the year	Deductions / Adjustments	Translation Exchange Difference	As on March 31, 2014	As on April 1, 2013	Additions during the year	Deductions / Adjustments	Translation Exchange Difference	As on March 31, 2014	As on March 31, 2013
(Rupees in million)											
Tangible											
Leasehold Improvements	249.32	16.44	1.09	4.69	269.36	80.33	26.88	(5.88)	0.59	113.68	168.99
Office Equipments	163.53	63.66	(6.20)	2.07	235.46	48.94	26.09	0.76	0.22	74.49	114.59
Computers	608.68	84.55	4.65	2.65	691.23	378.04	107.20	0.67	1.43	486.00	230.64
Furniture And Fixtures	72.15	6.67	(0.05)	0.66	79.53	33.39	10.71	0.82	0.09	43.37	38.76
	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	208.24	940.98
Computer Software	135.66	39.63	0.18	-	175.11	94.37	32.30	0.20	-	126.47	41.29
	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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
12 LOANS AND ADVANCES		
Non Current (Unsecured, Considered Good)		
Corporate Premises Rent Deposit	166.84	143.07
Other Deposits	3.45	4.58
Advance tax (Net)	15.02	15.50
Service Tax and Other Tax Credits	457.74	457.06
Capital Advances	7.17	16.90
TOTAL	650.22	637.11
Current (Unsecured, Considered good)		
Staff Accommodation Rent Deposit	1.64	1.39
Prepaid Expenses	40.10	40.06
Service Tax and Other Tax Credits	69.27	18.74
Other Advances	40.15	20.31
TOTAL	151.16	80.50
13 INVESTMENTS		
Current Investments (valued at lower of cost and fair value)		
Investments in Mutual Funds		
Nil (P.Y. 6,002,854.61) units of HDFC Quarterly Interval Fund	-	60.04
Nil (P.Y. 11,836,142) units of Kotak Banking & PSU Debt Fund	-	119.13
1,500,910.39 (P.Y. 1,346,085) units of ICICI Prudential Money Market Fund Direct Plan-Daily Dividend	150.31	134.80
Nil (P.Y. 13,938,115) units of ICICI Prudential Ultra Short term Fund-Daily Dividend	-	140.86
Nil (P.Y. 10,000,000) units of IDFC Interval Fund	-	100.00
506,904.357 (P.Y. Nil) units of ICICI Prudential Savings Fund-Direct Plan-Daily Dividend	50.85	-
101,86,013.720 (P.Y. Nil) units of IDFC Ultra Short Term Fund-Direct Plan-Daily Dividend	102.42	-
Nil (P.Y. 7,165,970) units of Reliance Medium Term Fund -Daily Dividend	-	122.51
Nil (P.Y. 50,291) units of BOI AXA Treasury advantage fund Direct plan-Daily Dividend	-	50.32
Nil (P.Y. 45,257) units of Reliance Liquid Fund - Treasury Plan	-	45.28
Nil (P.Y. 142,273) units of DSP Black Rock Money Manger Fund - Liquid Plus	-	142.87
Nil (P.Y. 5, 180,150) units of DWS Ultra Short Term Fund	-	51.89
Nil (P.Y. 9,831,493) units of DWS Treasury Fund Cash - Investment - Direct Plan	-	100.50
Nil (P.Y. 53,244) units of Baroda Pioneer Liquid Fund Plan B	-	53.28
40,080.364 (P.Y. Nil) units of IDFC Cash Fund	40.10	-
14,131,844.712 (P.Y. Nil) units of HDFC Cash Management Fund - Savings Plan-Direct Plan-Daily Dividend	150.31	-
6,403,159.593 (P.Y. Nil) units of HDFC FRIF-Short Term Plan-Direct Plan-Daily Dividend	64.55	-
613,223.004 (P.Y. Nil) units of DWS Insta Cash Plus Fund	61.51	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

	(Rupees in million)	
	As at March 31, 2015	As at March 31, 2014
572,986.264 (P.Y. Nil) units of Birla Sun Life Savings Fund-Daily div.-Direct Plan	57.47	-
190,391.757 (P.Y. Nil) units of ICICI Prudential Flexible Income Plan	20.13	-
Nil (P.Y. 130,927) units of ICICI Prudential Liquid Plan Daily Dividend	-	13.11
151,535.751 (P.Y. Nil) units of Reliance Money Manager Fund-ISIN-Daily Dividend	151.86	-
1,511,018.91 (P.Y. Nil) units of Birla Sun Life Savings Fund-Direct Plan-Daily Dividend	151.55	-
1,112,426.654 (P.Y. Nil) units of Birla Sun Life Floating Rate Fund STP-IP-Reinvestment - Daily Dividend	111.27	-
1,500,406.464 (P.Y. Nil) units of Birla Sun Life Cash Plus-Daily Dividend	150.33	-
485,072.401 (P.Y. Nil) units of Birla Sun Life Floating Rate Long Term-Direct Plan-Daily Dividend	48.70	-
106,593.3274 (P.Y. Nil) units of Kotak Liquid Scheme Plan A Daily Dividend	130.34	-
29,743.4765 (P.Y. Nil) units of Kotak Floater Short Term - Daily Dividend	30.09	-
Nil (P.Y. 4,932) units of UTI Money Market Institutional Plan-Daily Dividend	-	5.03
79,534.224 (P.Y. Nil) units of UTI Liquid Cash Plan	81.08	-
Nil (P.Y. 151,417) units of Birla Sun Life Cash Plus-Daily Dividend	-	15.17
TOTAL	1,552.87	1,154.79
Aggregate value of quoted investments (Market value : Rs. 1,552.87 million (P.Y. Rs. 1,154.79 million))	1,552.87	1,154.79
14 TRADE RECEIVABLES (UNSECURED)		
Considered good		
Debts outstanding for period exceeding six months	9.20	7.72
Other debts	1,252.19	979.54
TOTAL	1,261.39	987.26
15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in Hand	0.01	0.32
Balances in Current accounts with banks	1,641.99	1,162.38
Balances with Non Scheduled Banks in foreign currencies	332.12	154.41
Unpaid Dividend account *	1.66	1.34
	1,975.78	1,318.45
Other Bank Balances		
Balance with banks in fixed deposit accounts (of original maturity more than 3 months but less than 12 months)	880.00	1,067.92
Earmarked balances with banks *	7.86	17.65
Fixed deposits pledged with banks against bank guarantees	2.11	1.55
	889.97	1,087.12
TOTAL	2,865.75	2,405.57
* The Company can utilise these balances only toward settlement of the respective unpaid dividend and earmarked balances for buyback of shares.		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
16 OTHER CURRENT ASSETS		
Unbilled Revenues	1,004.80	811.43
Amortized Premium on Forward Contracts(refer note 3.1(l))	-	196.63
Recoverable expenses from clients	14.20	10.11
Employee Gratuity Payment Account	-	-
Forward Contracts	293.96	-
Interest Accrued but Not Due	45.76	34.87
TOTAL	1,358.72	1,053.04

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
17 OTHER INCOME		
Interest on fixed deposit	151.61	97.94
Dividend Income	56.47	39.64
Profit on Sale of Current Investments (net)	0.16	0.18
Profit/(Loss) on Sale of Fixed Assets (net)	(1.06)	0.05
Miscellaneous Income	0.89	3.79
Foreign Exchange Gain (net)	115.45	(31.40)
TOTAL	323.52	110.20

18 EMPLOYEE BENEFIT EXPENSES		
Salaries and Bonus	4,287.39	3,407.12
Employee Stock Option Scheme	(0.41)	(1.16)
Contribution to Provident fund and other employee benefits	34.78	19.32
Gratuity (refer note 30)	49.13	15.49
Staff Welfare expenses	27.20	25.61
TOTAL	4,398.09	3,466.38

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
19 OTHER EXPENSES		
Cost of Technical Sub-Contractors	140.98	113.78
Rent (refer note 25)	364.49	310.67
Legal and Professional fees	231.69	146.41
Electricity	101.04	73.47
Communication expenses	138.81	106.89
Auditors' remuneration (refer note 21)	6.71	4.42
Office Expenses	42.61	35.61
Rates and Taxes	11.64	21.62
Bank Charges	6.61	9.75
Computer and Electrical Consumables	91.16	80.58
Printing and Stationery	9.45	6.83
Local Conveyance	66.21	45.76
Donation	4.14	14.36
Corporate Social Responsibility Expenditure	46.37	-
Housekeeping Services	28.23	20.05
Security charges	51.84	41.16
Insurance	12.03	9.98
Subscription & Membership Fees	34.77	15.12
Repairs and Maintenance		
-Building	7.67	2.48
-Others	10.65	7.61
AR Processing Charges	3.82	
Board Meeting Sitting Fees	0.92	0.76
Bad Debts Written off	3.08	0.86
Advertisement expenses	1.21	6.16
Traveling expenses	381.83	275.37
Business Promotion expenses	66.52	55.13
Miscellaneous expenses	2.59	2.95
TOTAL	1,867.07	1,407.78

Notes to the Consolidated Financial Statements for the year ended March 31, 2015

20. Consolidated Financial Statements as at March 31, 2015 comprises the financial statements of the Company and its subsidiaries as listed below:

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power	
			Year ended March 31, 2015	Year ended March 31, 2014
1	eClerx Limited	United Kingdom	100%	100%
2	eClerx LLC	United States of America	100%	100%
3	eClerx Private Limited	Singapore	100%	100%
4	eClerx Investments Limited	British Virgin Islands	100%	100%
5	Agilyst Inc.	United States of America	100% subsidiary of eClerx Investments Limited	100% subsidiary of eClerx Investments Limited
6	Agilyst Consulting Private Limited	India	100% subsidiary of Agilyst Inc	100% subsidiary of Agilyst Inc
7	eClerx Investments (U.K.) Limited	United Kingdom	100%	100%

21. AUDITORS' REMUNERATION

(Rupees in million)

	Year ended March 31, 2015	Year ended March 31, 2014
As auditor:		
Statutory Audit, Limited Review and Local GAAP Audit	6.29	4.27
In other capacity:		
Certification fees	0.22	0.10
Out of Pocket Expenses	0.20	0.05
TOTAL	6.71	4.42

22. SHARE APPLICATION MONEY PENDING ALLOTMENT

Amounts received for 9,000 shares with an exercise price of Rs. 111.47 and 1,000 shares with an exercise price of Rs. 343.33 under ESOP Plan 2008 is pending for allotment.

23. SEGMENT REPORTING

The Group's primary segment is based on the nature of services provided which is Data analytics and process outsourcing services.

The Group's secondary segments are the geographic distribution of activities. Revenue and receivables are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present revenue and asset information regarding the Group's geographical segments:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

Operational Revenues	Year ended March 31, 2015	Year ended March 31, 2014
United States of America	7,111.44	6,207.83
United Kingdom	553.54	450.77
Europe	1,387.79	1,358.25
Asia Pacific	368.43	393.09
TOTAL Revenues	9,421.20	8,409.94

(Rupees in million)

Segment-wise Assets	Segment-wise Assets	
	As at March 31, 2015	As at March 31, 2014
United States of America	2,147.34	1,431.95
United Kingdom	984.20	1,176.45
Europe	274.24	225.32
Asia Pacific	6,101.14	5,027.46
Unallocated	84.77	52.57
TOTAL	9,591.69	7,913.75

(Rupees in million)

Segment-wise Addition to Fixed assets	Year ended March 31, 2015	Year ended March 31, 2014
United States of America	14.47	26.25
United Kingdom	9.27	3.55
Asia Pacific	589.34	181.15
TOTAL	613.08	210.95

24. 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, 2015	As at March 31, 2014
Deferred Tax Assets		
Depreciation	6.54	(2.38)
Provision for gratuity	22.72	14.86
Provision for compensated absences	15.44	4.31
Provision for lease equalisation	9.36	14.09
Provision for Bonus	15.68	6.18
TOTAL	69.74	37.06

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
Deferred Tax Liability		
Depreciation	16.77	18.75
Prepaid Expenses	1.57	-
Provision for lease equalisation	(0.22)	-
TOTAL	18.12	18.75

25. OPERATING LEASES

The Group 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)

	Year ended March 31, 2015	Year ended March 31, 2014
Lease payments recognised in the consolidated statement of profit and loss	364.49	310.67
Future minimum lease payments for non-cancellable operating leases		
Not Later than one year	133.56	81.39
Later than one year, but not later than five years	239.42	121.44

26. CAPITAL AND OTHER COMMITMENTS

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	52.20	59.75
Other Commitments		
The Company signed on March 31, 2015 a definitive agreement to acquire 100% of CLX Europe, S.P.A. through its overseas subsidiary eClerx Investments (U.K.) Limited and the closing documents to effect the same acquisition were signed on April 21, 2015	1,687.75	-

27. EMPLOYEES STOCK OPTION PLAN (ESOP)

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

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

	Year ended March 31, 2015		Year ended March 31, 2014	
	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	583,980	564.07	1,009,725	464.99
Forfeited / cancelled	227,033	690.26	90,300	642.24
Exercised	173,978	427.82	335,445	244.77
Balance as at the end of the year	182,969	537.05	583,980	564.07
Exercisable at the end of the year	182,969	-	190,680	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2015 is 1.54 years (March 31, 2014: 2.61 years). The average vesting period is 2.83 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year was Rs. 111.47 to Rs. 690.26 (March 31, 2014: Rs. 111.47 to Rs. 690.26).

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, 2015		Year ended March 31, 2014	
	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	1,019,828	673.62	545,001	740.44
Granted during the year	618,288	1,181.45	624,658	618.55
Forfeited / cancelled	159,881	841.41	145,331	685.44
Exercised	-	-	4,500	740.44
Balance as at the end of the year	1,478,235	867.88	1,019,828	673.62
Exercisable at the end of the year	-	-	-	-

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2015 is 4.14 years (March 31, 2014: 4.63 years). The average vesting period is 2.87 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year was Rs. 618.55 to Rs. 1181.45 (March 31, 2014: Rs. 618.55 to Rs. 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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million, except per share data)

	Year ended March 31, 2015	Year ended March 31, 2014
Net Profit after tax as reported	2,296.76	2,556.56
Add - Intrinsic Value Cost	(0.41)	(1.16)
Less - Fair Value Cost	66.34	100.38
Adjusted proforma Net Profit	2,230.01	2,455.02
Basic EPS as reported	75.82	85.14
Proforma Basic EPS	73.62	81.76
Diluted EPS as reported	74.13	82.81
Proforma Diluted EPS	72.19	79.53

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

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%
Expected life of options granted 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	May 20, 2014
Expected Volatility	49.10%	37.38%	33.93%
Risk Free Interest Rate	8.31%	7.26%	8.72%
Expected life of options granted in years	4.45	4.36	4.37
Dividend Yield	2.32%	4.04%	2.96%

The weighted average fair value of stock options granted during the year was Rs. 386.33 (March 31, 2014 : Rs.183.67).

28. RELATED PARTY & KEY MANAGEMENT PERSONNEL INFORMATION

(A) RELATED PARTIES & KEY MANAGEMENT PERSONNEL

Name of related party and related party relationship

(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.)
7. eClerx Investments (UK) Limited (wholly owned subsidiary)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(b) Related party under Accounting Standard 18 – Related Party Transactions and as per Companies Act, 2013 with whom transactions have taken place during the year

(I) Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:

1. Duncan Stratton & Company Limited

(II) Key Management Personnel:

1. V. K. Mundhra (Chairman)
2. P D Mundhra (Executive Director)
3. Anjan Malik (Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Gaurav Tongia (Company Secretary)

B. DETAILS OF RELATED PARTY & KEY MANAGEMENT PERSONNEL TRANSACTIONS:

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(Rupees in million)

Sr. No.	Name	Nature of Transaction	Relationship	Transactions during the year		Outstanding Balance as at	
				March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
1	Anjan Malik	Remuneration	Director	15.78	18.95	-	-
		Dividend		277.28	198.06	-	-
2	PD Mundhra	Remuneration	Executive	22.93	23.12	-	-
		Dividend	Director	277.13	197.95	-	-
3	V.K. Mundhra	Dividend	Director	1.13	0.81	-	-
4	Rohitash Gupta	Remuneration	Key Management Personnel	13.19	10.26	-	-
		Dividend		2.73	1.85	-	-
5	Gaurav Tongia	Remuneration	Key Management Personnel	3.06	2.38	-	-
		Dividend		0.02	-	-	-
6	Duncan Stratton & Company Limited	Rent	Common Director	0.06	0.03	-	-

Note: The remuneration to the key management personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

29. 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

		Year ended March 31, 2015	Year ended March 31, 2014
Profit after tax attributable to shareholders (Rupees in million)	A	2,296.76	2,556.56
Weighted average number of equity shares considered for computing basic EPS .	B	30,291,337	30,027,795
Effect of Dilution			
Stock options grant under ESOP		691,369	843,452
Weighted average number of equity shares considered for computing diluted EPS .	C	30,982,706	30,871,247
Earnings per share (Rs.)			
- Basic	A/B	75.82	85.14
- Diluted	A/C	74.13	82.81
Nominal value of shares (Rs.)		10.00	10.00

30. EMPLOYEE BENEFIT PLANS

The Group 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, 2015 as required under AS 15 (Revised) as notified under the Companies Act, 2013 under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

Change in Defined Benefit Obligation	(Rupees in million)	
	As at March 31, 2015	As at March 31, 2014
Opening Defined Benefit Obligation	85.73	78.43
Interest cost	7.99	6.27
Current service cost	26.60	27.30
Benefits paid by the employer	(0.57)	(1.03)
Benefits paid by the fund	(10.85)	(7.66)
Actuarial (gain) / loss	15.26	(17.58)
Closing Defined Benefit Obligation (A)	124.16	85.73

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

(Rupees in million)

Change in fair value of assets	As at March 31, 2015	As at March 31, 2014
Opening fair value of assets	6.00	3.17
Expected Return on plan assets	0.52	0.28
Contribution by employer	7.71	10.00
Benefits paid from the fund	(10.85)	(7.66)
Actuarial gain	0.19	0.21
Closing fair value of plan assets (B)	3.57	6.00
Liability as per Balance Sheet (A-B)	120.59	79.73

(Rupees in million)

Net Employee Benefit recognised in employee cost	Year ended March 31, 2015	Year ended March 31, 2014
Current service cost	26.60	27.30
Interest cost	7.99	6.27
Expected Return on plan assets	(0.52)	(0.28)
Actuarial (gain) / loss	15.07	(17.79)
Total included in employment expenses	49.13	15.49

Principle Assumptions used in determining gratuity benefit obligation for the Group's plans are shown as below:	Year ended March 31, 2015	Year ended March 31, 2014
Actual return on Plan Assets	9%	9%
Financial assumptions at valuation date		
Discount rate	7.99%	9.32%
Rate of increase in compensation levels of covered employees	7%	5%
Expected rate of return on plan assets	7.99%	8.70%

Amounts for the current and previous four periods are as follows:

(Rupees in million)

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Gratuity					
Defined benefit obligation	124.16	85.73	78.42	48.82	21.85
Plan assets	3.57	6.00	3.17	1.83	1.35
Surplus / (deficit)	(89.83)	(58.67)	(54.35)	(46.99)	(20.50)
Experience adjustments on plan liabilities	(5.15)	(6.43)	4.26	(1.25)	-
Experience adjustments on plan assets	0.46	0.22	0.01	0.01	0.14

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2015	March 31, 2014
Investments with insurer	100%	100%

31. FORWARD CONTRACTS AND OPTIONS IN FOREIGN CURRENCIES

List of outstanding forward contracts taken to hedge against highly probable sales forecast :

As at March 31, 2015				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward Contract to Sell	2015 – 16	USD	\$75.90	66.61
		Euro	€ 8.42	86.68
	2016 – 17	USD	\$25.10	68.65
		Euro	€ 3.54	83.30

As at March 31, 2014				
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Average Rate (INR)
Forward Contract to Sell	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 on the balance sheet date, the Group's net foreign currency exposure that is not hedged is Rs. 978.14 million (P.Y. Rs. 728.80 million).

32. The Company has deferred the recognition of cumulative Minimum Alternative Tax (MAT) credit of Rs.326.63 million as at March 31, 2015 (P.Y. Rs 266.23 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.

33. CSR Expenditure

Gross amount required to be spent: Rs. 46.34 Million

Amount spent during Financial Year: Rs. 46.37 Million

(Rupees in million)

CSR Activities	In Cash	Yet to be spent in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	46.37	-	46.37

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

34. CONTINGENT LIABILITIES

(Rupees in million)

	As at March 31, 2015	As at March 31, 2014
Guarantees given by the Company on behalf of various subsidiaries against credit facilities (see note (a))	4.25	2.60
Income Tax demands (see note (b))	39.30	14.87
Indirect Tax demands	7.76	7.44

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 ITAT against the demand raised by the Assessing officers amounting to Rs. 13.29 million for Financial Year 2004-05 and 2006-07. The department has preferred appeal to High Court for Financial Year 2004-05 and 2006-07 and filed Special Leave Petition with Supreme Court for Financial Year 2006-07.

The Company has received demand amounting to Rs. 17.17 million for Financial Year 2010-11 against which company has filed appeal with Commissioner of Income Tax (Appeals).

The Company's subsidiary Agilyst Consulting Private Limited has received demand amounting to Rs. 8.84 million for Financial Year 2009-10 & 2010-11 against which Company has filed appeal with Commissioner of Income Tax (Appeals).

- (c) Service Tax refund claims filed by the Company from October 2009 till March 2012 for Rs. 241.51 million out of which Rs. 83.12 million was rejected by the Commissioner of Central Excise (Appeals). The Company has filed an appeal with CESTAT. Also out of service tax refund claims filed by the Company and assessed by the department from April 2012 to Sept 2013 for Rs. 185.15 million, claims for Rs. 115.21 million was rejected by the service tax department. The Company has filed an appeal for Rs. 32 million with Commissioner of Central Excise/Service Tax (Appeals) and for Rs. 83.21 million the Company is in process of filing an appeal with the designated appellate authority.

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 Consolidated Financial Statements for these disputes.

35. 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 Consolidated Financial Statements.

36. SUBSEQUENT EVENTS

The Company acquired the entire shareholding of CLX Europe S.P.A a joint stock Company based in Italy through its overseas subsidiary eClerx Investments (UK) Limited effective April 21, 2015 for a consideration not exceeding Euro 25 million. The transaction is funded from the Company's internal accruals.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2015

37. Additional information pursuant to the requirements of Schedule III of Companies Act, 2013, relating to subsidiary companies for the Financial Year 2014-15

(Rupees in million)

Name of the entities whose financial statements have been consolidated	Net Assets (Total Assets minus Total Liabilities) *		Share in Profit or Loss*	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent eClerx Services Limited	76.90%	6,465.95	89.29%	2,157.66
Subsidiaries				
Indian				
1 Agilyst Consulting Private Limited	3.16%	266.12	2.96%	71.41
Foreign				
1 eClerx LLC	1.12%	93.87	1.08%	26.01
2 eClerx Limited	1.42%	119.50	1.21%	29.18
3 eClerx Private Limited	0.28%	23.28	0.24%	5.77
4 Agilyst Inc	3.81%	320.07	5.25%	126.85
5 eClerx Investments Limited	13.31%	1,119.51	(0.00)%	(0.37)
6 eClerx Investments (UK) Limited – Note 1	-	-	-	-
TOTAL	100.00%	8,408.30	100.00%	2,416.51

*the details of Net Assets and share in Profit and Loss have been presented before eliminations.

Note 1:-

eClerx Investments (UK) Limited was incorporated on March 14, 2015 and as on date of balance sheet no shares have been subscribed and hence there is no financial information.

38. Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's presentation. The figures of the previous year were audited by a firm of Chartered Accountants other than S. R. Batliboi & Associates LLP.

As per our report of even date

For **S. R. Batliboi & Associates LLP**

Firm Registration Number: 101049W

Chartered Accountants

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 25, 2015

For and on behalf of the Board of Directors of eClerx Services Limited

V.K. Mundhra

Chairman

P.D.Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Notice

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of eClerx Services Limited ('the Company') will be held on Friday, July 17, 2015 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:
 - a. The Audited Financial Statements of the Company for the Financial Year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon;
 - b. The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2015, together with the Reports of the Auditors thereon.
2. To declare dividend for the year ended March 31, 2015 amounting to Rs. 35/- per share.
3. To appoint a Director in place of V. K. Mundhra, [DIN: 00282180] who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company and to fix their remuneration, and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditor) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable regulations and the resolution passed by the members of the Company at their meeting held on July 10, 2014, appointment of M/s S. R. Batliboi & Associates LLP, Chartered Accountants, 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, bearing Registration Number 101049W for a period of 5 years i.e. up to the conclusion of Nineteenth Annual General Meeting, be and is hereby ratified under the provisions of Companies Act, 2013, and at such remuneration as the Board (including Audit Committee thereof) may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee thereof) be and

is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

5. **To institute Employee Stock Scheme/Plan 2015 for the Employees of the Company**

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

"RESOLVED THAT pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'), including any statutory modification or re-enactment thereof for the time being in force, the Memorandum and Articles of Association of the Company, and other rules and regulations, as applicable and subject to such other approvals, permissions and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company and authority be and is hereby accorded/afforded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee, (including the Nomination and Remuneration Committee constituted, *inter-alia*, carry out activities of Compensation Committee) which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, whether working in India or outside India (hereinafter referred as 'Employees'), as may be decided solely at the discretion of the Board, under Employee Stock Scheme/Plan 2015 (hereinafter referred as 'the Scheme'), such number of Equity Shares and/or other equity linked instruments, including options and/or any other instruments or securities of the Company (hereinafter referred as 'the Securities') which Securities, when issued and allotted would give rise to the issuance of Equity Shares of the face value of Rs. 10/- each not exceeding 1,600,000 (One Million Six Hundred Thousand Only) in number to the Employees, in such manner, at such time or times and at such price or prices, in one or more tranches and on such

terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the Scheme, the law and/or guidelines, regulations issued by the relevant authority prevailing at that time AND THAT each such Securities would be exercisable for one Equity Share of a face value of Rs. 10/- each fully paid-up on payment of the requisite exercise price to the Company/ Employee Welfare Trust etc.

RESOLVED FURTHER THAT the Securities may be allotted / transferred etc. in accordance with the Scheme either directly and/or through a Trust which may be called eClerx Services Limited Employees Welfare Trust(s) ('Trust/ Trust(s)') or such other name as finalised by the Board and/or in any other permissible manner and that financial assistance in the form of loan on such terms as may be approved by the Board may be provided, to enable the Trust/such other mechanism so as to *inter-alia* acquire, purchase or subscribe etc. to the Securities of the Company from secondary market subject to compliance with the applicable provisions of the Act, Regulations, including any amendment(s) or modification(s) thereof and utilised against exercise of Securities granted/ to be granted under the Scheme as modified from time to time and THAT the Company under cashless exercise, may itself fund or permit the empanelled stock brokers to fund the payment of exercise price which shall be adjusted against the sale proceeds of some or all the shares, subject to the provisions of the applicable law or regulations.

RESOLVED FURTHER THAT approval is granted for acquisition of shares of the Company from secondary market not exceeding 2% of the paid up capital as at the end of the previous Financial Year and that the total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% of the paid up capital as at the end of the Financial Year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition, and THAT the limit, herein, will be applicable as per the norms set out in relevant regulations as in force and amended from time to time and THAT the Trust may implement such mechanism as permitted under law to facilitate / administer/expedite exercise of Securities including but not limited to cashless exercise.

RESOLVED FURTHER THAT the maximum number of Securities may be granted to any specific Employee under the Scheme shall not exceed 1,600,000 (One Million Six Hundred Thousand Only), being the maximum available under the Scheme.

RESOLVED FURTHER THAT the Board is authorised to appoint Trustee(s) for such Trust as per the Regulations including finalising their terms of appointment as well as approval and execution of Trust constituent documents like Trust Deed, Service Level Agreement with the Trustee(s) for administering Scheme under the Trust, etc.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, share splits, merger and sale of division and others, if any, additional Equity Shares are issued by the Company to the Securities grantees/Trust for the purpose of making a fair and reasonable adjustment to the Securities granted earlier, then the above ceiling of 1,600,000 (One Million Six Hundred Thousand Only) Equity Shares shall be deemed to be increased/adjusted, accordingly.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Securities grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees/grantees as applicable.

RESOLVED FURTHER THAT the Board/Trust be and is hereby authorised to issue and/or allot/transfer etc. Equity Shares upon exercise of Securities from time to time in accordance with the Scheme and such Equity Shares shall rank *pari passu* in all respect with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT pursuant to Regulations 7(5) of the Regulations, the Company may re-price the Securities which are not exercised, whether or not they have been vested if the Scheme/grant was rendered unattractive due

to fall in the price of shares in the stock market, provided the same is not detrimental to the interests of shareholders.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Securities allotted under the Scheme on the Stock Exchanges, where the Equity Shares of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

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.

RESOLVED FURTHER THAT at the time of grant, vesting or exercise of the Securities by the Securities grantee, in whole or in part, if any tax obligation of the Company, which may arise in connection with the Employee Securities including obligations arising upon (i) the exercise of the Securities and/or (ii) the transfer, of any shares acquired upon exercise of the Securities, will be recovered from the Employee, by the methods as prescribed by the Board and as permissible under the law.

RESOLVED FURTHER THAT the Scheme will operate, *inter-alia*, under the Act and Regulations, and provisions not specifically provided herein but set out in any such then applicable Regulations, if any, will have the effect as set out in such Act/Regulation.

RESOLVED FURTHER THAT in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions of the Scheme, the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the said Scheme as it may deem fit, from time

to time in its sole and absolute discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, Regulations and any other applicable laws."

6. To institute Employee Stock Scheme/Plan 2015 for the Employees of subsidiary(ies) of the Company

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

"RESOLVED THAT pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014('the Regulations'), including any statutory modification or re-enactment thereof for the time being in force, the Memorandum and Articles of Association of the Company, and other rules and regulations, as applicable and subject to such other approvals, permissions and sanction as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company and authority be and is hereby accorded/afforded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee, (including the Nomination and Remuneration Committee constituted, *inter-alia*, carry out activities of Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the subsidiary(ies) (both present and future) of the Company, (hereinafter referred as 'Employees'), as may be decided solely at the discretion of the Board, under Employee Stock Scheme/Plan 2015 (hereinafter referred as 'the Scheme'), such number of Equity Shares and/or other equity linked instruments, including options and/or any other instruments or securities of the Company (hereinafter referred as 'the Securities') which Securities, when issued and allotted would give rise to the issuance of Equity Shares of the face value of Rs. 10/- each not exceeding 1,600,000 (One Million Six Hundred Thousand Only) in number to the Employees, in such manner, at such time or times and at such price or prices, in one or more tranches and on such

terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the Scheme, the law and/or guidelines, regulations issued by the relevant authority prevailing at that time AND THAT each such Securities would be exercisable for one Equity Share of the face value of Rs. 10/- each fully paid-up on payment of the requisite exercise price to the Company/ Employee Welfare Trust, etc.

RESOLVED FURTHER THAT the Securities may be allotted/transferred etc. in accordance with the Scheme either directly and/or through a Trust which may be called eClerx Services Limited Employees Welfare Trust(s) ('Trust/ Trust(s)') or such other name as finalised by the Board and/or in any other permissible manner and that financial assistance in the form of loan on such terms as may be approved by the Board may be provided, to enable the Trust/such other mechanism so as to *inter-alia* acquire, purchase or subscribe etc. to the Securities of the Company from secondary market subject to compliance with the applicable provisions of the Act, including any amendment(s) or modification(s) thereof and utilised against exercise of Securities granted/ to be granted under the Scheme as modified from time to time, and other Scheme(s) as may be formulated from time to time and THAT the Company under cashless exercise, may itself fund or permit the empanelled stock brokers to fund the payment of exercise price which shall be adjusted against the sale proceeds of some or all the shares, subject to the provisions of the applicable law or regulations.

RESOLVED FURTHER THAT approval is granted for acquisition of shares of the Company from secondary market not exceeding 2% of the paid up capital as at the end of the previous Financial Year and that the total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% of the paid up capital as at the end of the Financial year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition, and THAT the limit, herein will be applicable as per the norms set out in relevant regulations as in force and amended from time to time and THAT Trust may implement such mechanism as permitted under law to facilitate/administer/expedite etc. exercise of Securities including but not limited to cashless exercise.

RESOLVED FURTHER THAT the maximum number of Securities may be granted to any specific Employee under the Scheme shall not exceed 1,600,000 (One Million Six Hundred Thousand Only), being the maximum available under the Scheme.

RESOLVED FURTHER THAT the Board is authorised to appoint Trustee for such Trust as per the Regulations including finalising their terms of appointment as well as approval and execution of Trust constituent documents like Trust Deed, Service Level Agreement with the Trustee for administering schemes under the Trust, etc.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, share splits, merger and sale of division and others, if any additional Equity Shares are issued by the Company to the option grantees/Trust for the purpose of making a fair and reasonable adjustment to the Securities granted earlier, then the above ceiling of 1,600,000 (One Million Six Hundred Thousand Only) Equity Shares shall be deemed to be increased/adjusted, accordingly.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Securities grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees/Grantees as applicable.

RESOLVED FURTHER THAT the Board/Trust be and is hereby authorised to issue and/or allot/transfer, etc. Equity Shares upon exercise of Securities from time to time in accordance with the Scheme and such Equity Shares shall rank *pari passu* in all respect with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT pursuant to Regulations 7(5) of the Regulations, the Company may re-price the Securities which are not exercised, whether or not they have been vested if the Scheme/ grant was rendered unattractive due to fall in the price of shares in the stock

market, provided the same is not detrimental to the interests of shareholders.

RESOLVED FURTHER THAT the Board/Trust be and is hereby authorised to take necessary steps for listing of the Securities allotted under the Scheme on the Stock Exchanges, where the Equity Shares of the Company are listed, as per the provisions of the Listing Agreement executed with the concerned Stock Exchanges and other guidelines, rules and regulations as may be applicable.

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.

RESOLVED FURTHER THAT at the time of grant, vesting or exercise of the Securities by the Securities grantee, in whole or in part, if any tax obligation of the Company, which may arise in connection with the Securities including obligations arising upon (i) the exercise of the Securities and/or (ii) the transfer, of any shares acquired upon exercise of the Securities will be recovered from the Employee, by the methods as prescribed by the Board and as permissible under the law.

RESOLVED FURTHER THAT the Scheme will operate *inter-alia*, under Act, and the Regulations and provisions not specifically provided herein but set out in any such then applicable Regulations, if any, will have the effect as set out in such Act/Regulation.

RESOLVED FURTHER THAT in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions of the Scheme, the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the said Scheme as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, the Memorandum and Articles

of Association of the Company, Regulations and any other applicable laws.”

7. **To approve incorporating Employee Welfare Trust(s) mechanism within Employee Stock Scheme/Plan 2015 to enable secondary market transactions.**

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

“RESOLVED THAT pursuant to the provisions of Section 62(1) and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, the Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the Regulations'), and other rules and regulation, as applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee(s), including the Nomination and Remuneration Committee, (constituted *inter-alia*, to carry out activities of Compensation Committee, which the Board constitutes/has constituted to exercise its powers including the powers conferred by this resolution), to set up one or more Employee Welfare Trust(s) ('Trust/Trust(s)') to manage, administer and/or otherwise operate, *inter-alia*, Employee Stock Scheme/Plan 2015 ('Scheme') and to create, offer, issue, allot, acquire, buy and/or transfer, at its sole discretion, Equity Shares of the Company, of face value of Rs. 10/- each fully paid-up, for cash at par and/or at such price as permitted under law and as decided by the Board, to one or more Employee Welfare Trust(s), which may be called eClerx Services Limited Employees Welfare Trust(s) ('Trust/Trust(s)') or such other name finalised by the Board constituted/ to be constituted in future for the benefit of the Employees of the Company and/or its subsidiaries, to be utilised against exercise of Securities granted/ to be granted under the Scheme, as modified from time to time.

RESOLVED FURTHER THAT the Board is authorised to appoint Trustee(s) for such Trust as per the Regulations including finalising their terms of appointment as well as approval and execution of Trust constituent documents like Trust Deed, Service Level Agreement with the Trustee for administering the Scheme under the Trust.

RESOLVED FURTHER THAT approval is granted for acquisition of shares of the Company by such Employee Welfare Trust(s) from secondary market not exceeding 2% of the paid up capital as at the end of the previous Financial Year and that the total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% of the paid up capital as at the end of the Financial year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition and THAT this limit will be applicable as per the norms set out in relevant regulations as in force and amended from time to time.

RESOLVED FURTHER THAT for the purpose of creating, issuing and/or allotting/transferring etc. the shares of the Company as aforesaid, 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 fit, necessary or desirable for such purpose including but not limited to setting up one or more employee welfare Trust(s) and to close/wind-up all or any of them as deemed fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps, if and as required, for listing of the aforesaid shares on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and for any other requisite approvals, consent, permissions, etc. from any of the authorities as may be required pursuant to the provisions of the Listing Agreements executed with the concerned Stock Exchanges and/or other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT the Securities may be allotted in accordance with the Scheme, either directly and/or through a Trust and/or in any other permissible manner and that financial assistance in the form of loan on such terms as may be approved by the Board, may be provided, *inter-alia*, to enable the Trust/such other mechanism so as

to acquire, purchase, subscribe, buy, transfer and/or hold the securities of the Company, from secondary market subject to compliance with the applicable provisions of the Act, including any amendment(s) or modification(s) thereof and utilised against exercise of Securities granted/ to be granted/ transferred or to be transferred/allotted or to be allotted under the Scheme as modified from time to time, to the Employees of the Company and/or its subsidiaries.

RESOLVED FURTHER THAT Trust(s) shall be permitted to undertake off-market transfer of Securities under circumstances permitted under the applicable regulations and THAT the Trust(s) shall not become a mechanism for trading in securities and hence not sell the shares in secondary market except in circumstances permitted under the applicable provisions including but not limited to affording cashless exercise under the Employee Stock Scheme of the Company.

RESOLVED FURTHER THAT pursuant to Regulation 7(5) of SEBI (Share Based Employee Benefits) Regulations, 2014, the Company may re-price the Securities which are not exercised whether or not they have been vested if the Scheme/grant was rendered unattractive due to fall in price of shares in the stock market and the Company will ensure that such re-pricing shall not be detrimental to the interest of the employees.

RESOLVED FURTHER THAT such Trust(s) will operate *inter-alia*, under Act and Regulations, provisions not specifically provided herein but set out in any such then applicable Regulations will have the effect as set out in such Act/Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

8. To set up and authorise Employee Welfare Trust(s) for acquisition of shares of the Company through secondary market

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

“RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, and Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('Regulations'), and other rules and regulation, as applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee(s), including the Nomination and Remuneration Committee, (constituted, *inter-alia*, to administer the Employee Stock Scheme(s) which the Board constitutes/has constituted to exercise its powers including the powers conferred by this resolution) for setting up of Employee Welfare Trust(s) ('Trust/Trust(s)') *inter-alia* for acquisition of shares of the Company from secondary market not exceeding 2% of the paid up capital as at the end of the previous Financial Year and that the total number of shares under secondary acquisition held by the Trust(s) shall at no time exceed 5% of the paid up capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition for the purpose of implementation of Employee Stock Scheme/Plan 2015 and such other Schemes as may be instituted or set up in future ('Scheme/Scheme(s)') and THAT this limit will be applicable as per the norms set out in relevant regulations as in force and amended from time to time.

RESOLVED FURTHER THAT the Securities will be allotted/transferred etc. in accordance with the Scheme(s) through a Trust(s) which may be called eClerx Services

Limited Employees Welfare Trust(s) or such other name as finalised by the Board which may be set up in permissible manner as prescribed in the Regulations and that the Scheme(s) may also envisage for providing any financial assistance in the form of loan on such terms as may be approved by the Board to Trust to acquire, purchase buy or subscribe, etc. to the Securities of the Company from the secondary market, subject to compliance with the applicable provisions of the Act, Regulations including any amendment(s) or modification(s) thereof and utilised against exercise of Securities granted/ to be granted/transfer/to be transferred/allotted or to be allotted under the Scheme(s) as modified from time to time, and as may be formulated from time to time for granting Securities to the Employees of the Company and/or its subsidiaries and THAT the Trust may implement such mechanism as permitted under law to facilitate/administer/expedite etc. exercise of Securities including but not limited to cashless exercise.

RESOLVED FURTHER THAT in case of Scheme(s) under cashless exercise, the company may itself fund or permit the empanelled stock brokers to fund the payment of exercise price which shall be adjusted against the sale proceeds of some or all the shares, subject to the provisions of the applicable law or regulations.

RESOLVED FURTHER THAT such Trust(s):

- a) shall be required to hold the shares acquired through secondary acquisition for a minimum period of six months except wherever otherwise permitted.
- b) shall be permitted to undertake off-market transactions in case of transfer to the employees pursuant to Scheme(s) and applicable rules and regulations.
- c) shall not become a mechanism for trading in shares and hence shall not sell the shares in secondary market except under the circumstances set out in Regulations, as amended from time to time.
- d) shall operate strictly in accordance with the applicable rules and regulations.

RESOLVED FURTHER THAT subject to applicable provisions, in case of any corporate action(s) such as rights issue, bonus issue, buy-back of shares, split or consolidation of shares etc. of the Company, the number of shares of the Company to be acquired from the secondary market by the Trust shall be appropriately adjusted.

RESOLVED FURTHER THAT such Trust(s) will operate *inter-alia*, under Act and the Regulations, provisions not specifically provided herein but set out in any such then applicable Regulations will have the effect as set out in such Act/Regulation and THAT the Trust(s) deed thereof shall contain minimum provisions specified by SEBI from time to time.

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.”

9. To approve Related Party Transaction(s)

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), Listing Agreement entered into by the Company with the Stock Exchange(s), the consent of the Company be and is hereby accorded to enter into the related party agreement(s) by the Company with the following related party(ies) and for the maximum amounts per annum, as mentioned herein below:

Name of the Related Party	eClerx LLC, US 286 Madison Avenue, 14th Floor, New York, NY 10017, U.S.A.
Name of the Director/ KMP who is related	Anjan Malik
Nature of Relationship	Anjan Malik is a common Director and eClerx LLC is a subsidiary of the Company
Nature of Transactions	Provide marketing support & front end support services on behalf of the Company including <i>inter-se</i> reimbursement of expenses and related activities
Maximum amount in FY (Rs. in million)	1,200

RESOLVED FURTHER THAT the transactions hereunder will be at arm's length and in the ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or Audit Committee thereof, be and is hereby, authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

10. To approve payment of remuneration by way of commission to Non-Executive Independent Directors of the Company.

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

“**RESOLVED THAT** in supercession of earlier resolution(s) passed for this purpose dated August 22, 2013 and pursuant to Section 197, rules made thereunder and all other applicable provisions, if any, of Companies Act, 2013 ('Act'), (including any amendment or re-enactment thereof),

and the laws prevailing for the time being and subject to the approval of the Central Government, if required, and such alterations and modifications, if any, that may be effected pursuant to any change in policies, Acts or Laws, guidelines, rules and regulations relating to Managerial Remuneration or in response to any application(s) for review and reconsideration submitted by the Company in that behalf to the concerned authorities, if any, the consent of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as 'the Board' which term shall be deemed to include any Committee, including Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), for making payment of remuneration by way of commission to Non-Executive Independent Directors of the Company, an aggregate sum not exceeding 1% of net profit of the Company for the respective financial year, as calculated, *inter-alia*, in accordance with the provisions of Section 198 of the Act, subject to a limit of Rs. 18 Lacs p.a. per Non-Executive Independent Director in addition to the fee payable to them for attending the meeting(s) of Board of Directors of the Company or any Committee(s) thereof, besides reimbursement of actual expenses for attending the same, as permitted.

RESOLVED FURTHER THAT subject to the provisions of the Act and / or any other rules, regulations and legislations present and future as are / may become applicable, the

Board be and is hereby authorised to define the process and periodicity pertaining to such payment provided the total aggregate remuneration to the Non-Executive Independent Directors will not exceed the limits as aforesaid for the respective financial year in conformity with the provisions of the rules, regulations, legislations, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

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, 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 Limited**

Gaurav Tongia
Company Secretary

Date: May 25, 2015
Place: Mumbai

Registered Office:
Sonawala Building
1st Floor, 29 Bank Street,
Fort, Mumbai 400 023
CIN: L72200MH2000PLC125319

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 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 Saturday, July 11, 2015 to Friday, July 17, 2015 (both days inclusive) for the purpose of payment of Dividend for the financial year ended March 31, 2015 and the AGM.
4. Pursuant to Clause 49(IV)(G)(i) of the Listing Agreement entered with the Stock Exchanges, and other applicable provision, brief profile(s) of the Director(s) who is proposed to be appointed/re-appointed are included as annexed to the Annual Report.
5. M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai, who are the Statutory Auditors of the Company, hold office up to the conclusion of Nineteenth Annual General Meeting. Their appointment will be ratified at the AGM. They had confirmed that their appointment continues to be within the limits prescribed under the Companies Act, 2013 and that they were not beneficially holding any security of your Company as defined under relevant section(s) of the said Act and rules there under as applicable.
6. 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

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 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.

7. 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.
8. Statutory Registers maintained pursuant to the provisions of the Companies Act, 2013, will be accordingly available for inspection by the Members at the Annual General Meeting.
9. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and the Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means ('Remote e-voting'). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, July 10, 2015, i.e. the cut-off date are entitled to vote on the Resolutions set forth in this Notice. The Remote e-voting period will commence at 9.00 a.m. on Monday, July 13, 2015 and will end at 5.00 p.m. on Thursday, July 16, 2015. The facility for voting through ballot etc. will be also made available at the AGM, and Members attending the AGM who have not already cast their vote by Remote e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by Remote e-voting may only cast their vote at the AGM. The Company has appointed Ms. Dipti Mehta, Practising Company Secretary of Mehta & Mehta (Membership No. FCS 3667), Company Secretaries, to act as the Scrutinizer, to *inter-alia*, scrutinize the voting process in a fair and transparent manner. The Members desiring to vote through Remote e-voting may refer to the detailed procedure given hereinafter.

Procedure for Remote e-voting:

- I. The Company has engaged the services of Karvy Computershare Private Limited ('Karvy') for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(a) In case of Members receiving an e-mail from Karvy :

- (i) Launch an internet browser and open <https://evoting.karvy.com>

- (ii) Enter the login credentials (i.e. User ID and password). The Event No., Folio No. or DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (iii) After entering the above details Click on - Login.
- (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
- (v) On successful login, the system will prompt you to select the E-Voting Event
- (vi) Select the EVENT of eClerx Services Limited and click on - Submit.
- (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at Evoting@mehta-mehta.

com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format 'Corporate Name_EVENT NO.'

(b) In case of Members receiving physical copy of the Notice of AGM and Attendance Slip.

- (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip enclosed with the physical annual report.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website on <https://evoting.karvy.com>
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on Friday, July 10, 2015, i.e. cut-off date, and may cast their vote electronically. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The voting period shall commence at 9.00 a.m. on Monday, July 13, 2015 and will end at 5.00 p.m. on Thursday, July 16, 2015. The Remote e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the despatch of the Annual Report and/or before the cut-off may obtain the User ID and Password for exercising their right to vote by electronic means, in the following manner:

- a. If the mobile number of the member is registered against Folio No. / DP ID and Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD <SPACE>
IN12345612345678

Example for CDSL : MYEPWD <SPACE>
1402345612345678

Example for Physical : MYEPWD <SPACE>
XXX1234567

- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click 'forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call Karvy's toll free number 1-800-3454-001
- d. Member may send an e-mail request to evoting@karvy.com.

VI. The results shall be declared on or after the AGM. The results along with the requisite enclosures etc. shall also be placed on the website of the Company.

11. Members are requested to:

- produce the duly filled-in attendance slip, provided alongwith this Annual Report;
 - 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
 - in case of shares held in physical form, immediately intimate change of address, if any, to the Registrar and Transfer Agent quoting reference of their registered folio number.
12. Dividend as recommended by the Board of Directors, if declared at the meeting, shall be paid to the shareholders on or after July 21, 2015, whose name appears 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.

- 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, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Andhra Pradesh or write to the Company at its Registered office. Members are requested to note that, pursuant to Section 124(5) of the Companies Act, 2013 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.
- 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, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Andhra Pradesh 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 utilize the National Electronic Clearing System (NECS) for receiving dividends.
- 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 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.
- 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.

Explanatory Statement

pursuant to Section 102 of the Companies Act, 2013

Item No. 5 & 6

The Company appreciates the critical role of its personnel in the organisational growth. It strongly feels that the value created by its personnel should be shared with them. To promote the culture of employee ownership in the Company, approval of the Members is being sought for issue of options to the employees of the Company and its subsidiaries under Employee Stock Scheme/ Plan 2015 ('Scheme'). The main features of the Scheme are as under:

a. Total number of options to be granted:

The total of 1,600,000 (One Million Six Hundred Thousand Only) options would be available for being granted to eligible employees of the Company and its subsidiaries under Scheme. Each option when exercised would be converted into one Equity share of Rs.10/- each fully paid-up. Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date. Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014, require that in case of any corporate action(s) such as rights issues, bonus issues, split, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option Grantees for making such fair and reasonable adjustment, the ceiling of 1,600,000 (One Million Six Hundred Thousand Only) shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

b. Implementation of the Scheme

The Scheme shall be implemented directly or through the Employee Welfare Trust which may be called eClerx Services Limited Employees Welfare Trust(s) ('Trust/ Trust(s)') or such other name as finalised by the Board and/or in any other permissible manner. The Trust shall be authorised to acquire equity shares of the Company from the secondary market or directly from the Company. The Company proposes to provide financial assistance in the form of loan on such terms as may be approved by the Board to the Trust for this purpose subject to compliance with the applicable provisions of the Companies Act, 2013 Regulations including any amendment(s) or modification(s)

thereof and utilised against exercise of Options granted/ to be granted under the Scheme as modified from time to time, and other Employee Stock Schemes/Plans as may be formulated from time to time for granting Options to the Employees of the Company and/or its subsidiaries

c. Identification of classes of Employees entitled to participate in the Employee Stock Scheme:

All permanent employees of the Company and its subsidiaries (both present and future) and whether in India or abroad, but excluding the promoters and independent directors of the Company, as may be decided by the Board of Directors (hereinafter referred as 'the Board' which term shall include any Committee including Nomination and Remuneration Committee (constituted *inter-alia*, to carryout activities of Compensation Committee) from time to time and as permitted under law), would be entitled to be granted options under the Scheme.

d. Requirements of vesting, period of vesting and maximum period within which options shall be vested:

The options would vest not earlier than one year and not later than five years from the date of grant of options. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics for each round of grant, on the achievement of which the granted options would vest; the detailed terms and conditions relating to such performance based vesting, and the proportion in which options granted would vest. The exact proportion in which and the exact period over which the options would vest would be determined by the Nomination and Remuneration Committee, subject to the minimum vesting period permitted under the regulations, as amended from time to time.

e. Exercise Price/Pricing formula:

Exercise Price is the price, payable by the employee for exercising the option.

Pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, the Company granting option to its employees pursuant to Employee Stock Scheme will have the freedom to determine the exercise price subject to conforming to the accounting policies specified in Regulation 15.

Regulation 15 provides as below:

- Any company implementing any of the share based schemes shall follow the requirements of the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.
- Where the existing Guidance Note or Accounting Standard do not prescribe accounting treatment or disclosure requirements for any of the schemes covered under these regulations then the company shall comply with the relevant Accounting Standard as may be prescribed by the ICAI from time to time.

Hence the Exercise Price will be accordingly determined by Nomination and Remuneration Committee and disclosed appropriately.

f. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire on completion of three years from the date of vesting of options. The options will be exercisable by the Employees by a written application to the Company/ Trust to exercise the options and/or in such manner, and/or on execution of such documents, as may be prescribed by the Nomination and Remuneration Committee from time to time. The options will lapse if not exercised within the specified exercise period.

g. Appraisal Process for determining the eligibility of the employees to Scheme:

The appraisal process for determining the eligibility of the employee will be specified by the Nomination and Remuneration Committee, and may be based on various criteria including role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion, which would be final and binding.

h. Maximum number of options to be issued per Employee and in aggregate:

No employee shall be granted Options under the Scheme entitling such employee to acquire more than 1,600,000

(One Million Six Hundred Thousand Only) Equity Shares of the face value of Rs. 10/- each of the Company being the maximum available under the Scheme. The Nomination and Remuneration Committee may decide not to grant any option to the employees. The total numbers of options that may be issued and offered pursuant to the Scheme are limited to a maximum of 1,600,000 (One Million Six Hundred Thousand Only) options under one or more series thereunder.

i. Disclosure and Accounting Policies:

The Company shall conform to the applicable provisions of the Regulations, including the disclosure and the accounting policies as specified in guidelines/rules and regulations, as may be applicable from time to time.

j. Method of option valuation

Method of Valuation will be as prescribed under relevant / applicable Regulations, Rules/ Laws.

As the Employee Stock Scheme provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the Members is being sought pursuant to Section 62(1) and all other applicable provisions, if any, of the Act and relevant SEBI Regulation.

The Board recommends the passing of the Resolution set out at item No. 5 & 6 in the Notice convening the Meeting.

A copy of the Scheme is available 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.

None of the Directors and Key Managerial Personnel of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the said Scheme.

Item No. 7

In terms of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulation') a Company may implement Employee Welfare Scheme(s) either directly or by setting up Employee Welfare irrevocable Trust(s) ('Trust/Trust(s)'). Further if the scheme involves secondary market acquisition then it is mandatory for the Company to implement such scheme(s) through Trust.

The Company proposes to set up an irrevocable Trust for implementation of the above referred Employee Stock Scheme 2015. Upon approval of the members and after complying with the procedural and statutory formalities, the Trust(s) so set up, will acquire shares from the secondary market for implementation of the Scheme, and/or from the Company directly. The Company proposes to provide financial assistance in the form of loan on such terms as may be approved by the Board to the Trust to acquire equity shares of the Company from the secondary market for the purpose of implementation of Scheme subject to compliance with the applicable provisions of the Act, Regulations including any amendment(s) or modification(s) thereof and utilised against exercise of options granted/ to be granted under the Scheme as modified from time to time, formulated for granting/ allotting/transferring stocks/options/shares to the Employees of the Company and/or its subsidiaries.

If the Scheme is to be implemented through trust the same has to be decided upfront at the time of taking approval of shareholders for setting up of the scheme. Hence, consent of the Members is being sought pursuant to Section 62(1) and all other applicable provisions, if any, of the Act and relevant SEBI Regulation.

The Board recommends the passing of the Resolution set out at item No. 7 in the Notice convening the Meeting.

None of the Directors and Key Managerial Personnel of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the said Scheme.

Item No. 8

In order to provide better scope to the management to allot Securities and implement the Employee Welfare Scheme(s), the shares may also be issued to/managed and/or administered via one or more Employee Welfare Trust(s), as may be set up, under overall supervision of the Nomination and Remuneration Committee. The relevant regulations provide that the company may set up one or more irrevocable trusts for the purpose of one or more share based employee welfare schemes.

As stated herein above, the Employee Stock Scheme/Plan 2015 is proposed to be implemented by way Trust(s). It is also proposed that, subject to applicable regulations, the future employee stock scheme(s) will also be accordingly implemented

through such Trust. Pursuant to applicable regulations, such Trust shall be authorised to carry out secondary market acquisition however such secondary market acquisition in a financial year by the Trust(s) shall not exceed 2% of the paid up equity capital as at the end of the previous financial year. The total number of shares under secondary acquisition held by the Trust shall at no time exceed 5% of the paid up equity capital as at the end of the financial year immediately prior to the year in which the shareholder approval is obtained for such secondary acquisition.

The Board recommends the passing of the Resolution set out at item No. 8 in the Notice convening the Meeting.

None of the Directors and Key Managerial Personnel of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the said Scheme/Plan.

Item No. 9

Pursuant to section 188 of the Companies Act 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company having paid-up capital of Rs. 10 crore or more shall enter into contract or arrangement with related party except with the prior approval of the Company by a special resolution. But the said rules would not apply when the transactions are in the ordinary course of business and at arm's length.

However in the light of provisions of the Listing Agreement and as a matter of prudence, it is proposed to take Shareholders approval with the following group company as the quantum of transactions involved is relatively higher. The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as set out below:

Name of the Related Party	eClerx LLC, US 286 Madison Avenue, 14th Floor, New York, NY 10017, U.S.A.
Name of the Director/ KMP who is related	Anjan Malik
Nature of Relationship	Anjan Malik is a common Director and eClerx LLC is a subsidiary of the Company

Duration	Ongoing
Material Terms	Based on Transfer pricing guidelines. The transactions are in the ordinary course of business and at arm's length.
Nature of Transactions	Provide marketing support & front end support services on behalf of the Company including <i>inter-se</i> reimbursement of expenses and related activities
Maximum amount in FY (Rs. in million)	1,200

The Board recommends the passing of the Resolution set out at item No. 9 in the Notice convening the Meeting.

Except Anjan Malik, none of the Directors and Key Managerial Personnel of the Company are in any way, concerned or interested in the resolution, except to the extent that this entity is a subsidiary company.

Item No. 10

The shareholders at its meeting held on August 22, 2013 had approved that Non-Executive Independent Directors be paid remuneration by way of commission, in aggregate, not exceeding 1% of the net profit of the Company for the respective financial year, subject to a limit of Rs. 12 Lacs p.a. per Non-Executive Independent Director.

The Board of your Company comprises of Qualified and Professional Non-Executive Independent Directors. The Board is of view that, it is necessary that adequate compensation be paid to Non-Executive Independent Directors for their valuable time, efforts and guidance and also to attract and retain pool of experience, diversity and talent for the growth of the Company.

It is therefore proposed that Non-Executive Independent Directors be paid remuneration by way of commission, in aggregate, not exceeding 1% of the net profit of the Company for the respective financial year, computed, *inter-alia*, in accordance with section

198 of the Companies Act, 2013, subject to a limit of Rs. 18 Lacs p.a. per Non-Executive Independent Director. The said limit of Rs. 18 Lacs p.a. is the upper ceiling and the Board of Directors (including any committee thereof) based *inter-alia*, on the performance of the Company will decide the actual amount payable to the Non-Executive Independent Directors in terms of commission, which may not necessarily be Rs. 18 Lacs p.a. but may even be lower than that.

Section 197 of the Companies Act, 2013 requires that Special Resolution to be passed by the members of the Company in General Meeting for a payment of remuneration by way of commission to Non-Executive Independent Director. It may be noted that specified particulars of Non-Executive Independent Directors remuneration are also set out in Board's Report herewith.

Hence the Board recommends the passing of the Resolution set out at item No. 10 in the Notice convening the Meeting.

Except all the Non-Executive Independent Directors of the Company, who shall be deemed to be interested in Special Resolution to the extent of the commission which may be received by them in pursuance hereof, none of the Directors and Key Managerial Personnel of the Company are in any way, concerned or interested in the resolution.

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

Date: May 25, 2015
Place: Mumbai

Gaurav Tongia
Company Secretary

Registered Office:
Sonawala Building
1st Floor, 29 Bank Street,
Fort, Mumbai 400 023
CIN: L72200MH2000PLC125319

Annexure to the AGM Notice

Information regarding Director(s) seeking appointment/re-appointment at the Fifteenth Annual General Meeting (Pursuant to Clause 49 of Listing Agreement and other applicable regulations)

Item No. 3

Name	Vijay Kumar Mundhra (V. K. Mundhra)	
DIN	00282180	
Age	71	
Profession	Business Executive	
Qualification	Holds a bachelor's degree in commerce from St. Xavier's College, Calcutta.	
Date of first appointment on the Board	March 24, 2010	
Expertise in specific functional area	<p>He has over 37 years of varied business experience having successfully run and looked after large scale manufacturing units in the field of steel, engineering and chemicals. During the 1960s and 1970s, he was a director of Turner Morrison and Company Limited, which had several large manufacturing and industrial units under its fold such as Shalimar Tar Products Limited, Lodna Colliery Company Limited, Angelo Brothers Limited, Shalimar Works Limited etc and was actively associated in their management. During the 1970s, he managed Globe Motors Limited, Delhi which had a steel division by the name of Globe Steel and an auto component clutch manufacturing unit called Luk Auto Ancillary India Limited. He converted Globe Steel from a mild steel manufacturing unit to an alloy steel manufacturing unit when they were hardly any such units in the private sector.</p>	
Relationship with other directors	PD Mundhra, Executive Director – Son	
Directorships held in other Companies	<ol style="list-style-type: none"> 1. Duncan Stratton & Co. Limited 2. Innovative Impex Private Limited 3. N. T. Estates & Investments Private Limited 4. Vinayak Properties Private Limited 5. Consolidated Properties Private Limited 6. Aashutosh Properties Private Limited 7. Consolidated Packaging Company Private Limited 8. Pragati Tie-up Private Limited 9. Carter Hydraulic Private Limited 10. Star Mark Nirman Private Limited 11. Midtown Agencies Private Limited 12. Aqua Dealmark Private Limited 13. R M Investment & Trading Co Private Limited 	
Memberships held in committees of the Board of other Companies	Nil	
The number of Meetings of the Board attended during the year.	No. of meetings held	No. of meetings attended
	8	5
Shares held in the Company as on the date of Notice	32,287 Equity Shares	

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

15th Annual General Meeting - Friday, July 17, 2015

Form fields for Name of the Member(s), Registered address, E-mail ID, Folio No./ Client ID, and DP ID.

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 :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fifteenth Annual General Meeting of the Company, to be held on the 17th day of July 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 Number	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:			
a.	The Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon;			
b.	The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Auditors thereon.			
2	To declare dividend for the year ended March 31, 2015 amounting to Rs. 35/- per share.			
3	To appoint a Director in place of V. K. Mundhra, [DIN: 00282180] who retires by rotation and being eligible, offers himself for re-appointment.			
4	To ratify the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company.			
Special Business:				
5	To institute Employee Stock Scheme/Plan 2015 for the Employees of the Company			
6	To institute Employee Stock Scheme/Plan 2015 for the Employees of subsidiary(ies) of the Company			
7	To approve incorporating Employee Welfare Trust(s) mechanism within Employee Stock Scheme/Plan 2015 to enable secondary market transactions.			
8	To set up and authorise Employee Welfare Trust(s) for acquisition of shares of the Company through secondary market			
9	To approve Related Party Transaction(s).			
10	To approve payment of remuneration by way of commission to Non-Executive Independent Directors of the Company.			

Signed this _____ day of _____ 2015

.....
Signature of Shareholder

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



Note:

- 1) This form of proxy in order to be effective should be duly 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.

eClerx Cares

Football match with Magic Bus



Marathon 2015



Cleanliness drive 2015



Employee engagement activities





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