



ANNUAL REPORT

2015-16



Innovative Operations

Services partner of choice embedding deep domain, new technologies, and sophisticated analytics

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

eClerx is a registered trade mark of eClerx Services Limited.





Who We Are

eClerx is a specialist KPO / BPO (Knowledge and Business Process Outsourcing) company providing critical business operations services to more than 30+ global Fortune 500 clients, including many of the world's leading financial services firms, online retail and distributors, interactive media, luxury brands and entertainment, high tech and industrial manufacturing, travel and leisure and software vendors, through operational support, data management and analytics solutions.

Incorporated in 2000, eClerx is India's first publicly listed KPO company and is today traded on both the Bombay and National Stock Exchanges of India. eClerx was ranked as one of Forbes Asia's 200 Best Under a Billion List and named as finalist in Teleos' Most Admired Knowledge Enterprise award. eClerx employs over 8,500 employees across its global delivery centers and offices in Verona, Phuket, Mumbai, Pune and Chandigarh plus global client relationship locations in New York, Philadelphia, Silicon Valley, Austin, London, Milan, Munich, Hamburg and Singapore.



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 your customer organisation
- Maintain the highest standards of ethics and integrity
- Respect the organisation, its goals and the opportunities provided
- Nurture entrepreneurship
- Develop business capability through continuous competency development, knowledge harvesting and sharing



Awards and Accolades

- Recognised in CIO 100, eTMS (Transport Management System) has been selected as an industry best practice in CIO 100 awards
 - Recognised at Asia Outsourcing Excellence Awards in the category 'Use of IT for Operations Excellence'
 - Recognised as a finalist in four categories at NOA (National Outsourcing Awards), 2015
 - Won the Dataquest Business Technology Awards
 - Recognised as a 2015 MAKE (Most Admired Knowledge Enterprise) India winner and the larger 2015 MAKE Asia winner. The 2015 MAKE panel recognised eClerx Services for managing customer / stakeholder knowledge
 - Won the NetApp Innovation 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, e-mail 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
 E-mail: 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

Building # 11, 4th, 5th & 6th Floor,
 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
 +91 (22) 4183 2777
 Fax No.: +91 (22) 6114 1333
 +91 (22) 4194 3292

CHANDIGARH

1st and 2nd Floor,
 Towers A & B,
 DLF Info City Developer,
 Rajiv Gandhi Chandigarh Technology
 Park, Kishangarh
 Chandigarh – 160 101, India.
 Ph. No.: +91 (172) 6633 600
 Fax No.: +91 (172) 6633 623

PUNE

Block 01, 5th Floor,
 Block 04, 2nd 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

Embassy Techzone Plot no. 3,
 Rhine Building 1.5,
 A Wing, 2nd Floor,
 Rajiv Gandhi Info Park, Phase 2,
 Hinjewadi, Pune – 411 057,
 Maharashtra, India.
 Ph. No.: +91 (20) 6698 2399

PHUKET

Chaofa Rd, Palai Soi 2 44
 Moo Chalong, Sub-District Muang,
 Phuket, Thailand.
 Ph. No.: +66 76 380653

VERONA

Via dell'Artigianato, 8A
 37135 Verona, Italy.
 Ph. No.: +39 045 8294 999
 Fax No.: +39 045 8294 944

*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.: 1 212-551-4150

1880 John F Kennedy Blvd,
Suite 400
Philadelphia, PA 19103
United States of America.
Ph. No.: +1 267-488-8750

APAC

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

EMEA

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

12-14 Berry Street,
EC1V-0AU London,
United Kingdom.
Ph. No.: +44 207 324 4380
Fax No.: +44 207 324 4381

Viale Toscana 13/B
20136 Milano, Italy.
Ph. No.: +39 02 36 567 195
Fax No.: +39 02 36 569 007

Barmbeker Str.8,
22303 Hamburg, Germany.
Ph. No.: +49 40 5247 040-60
Fax No.: +49 (0)40 5247040-81

Am Mittleren Moos 13,
86167 Augsburg, Germany.
Ph. No.: +49 821 8899 54-0
Fax No.: +49 821 8899 54-29

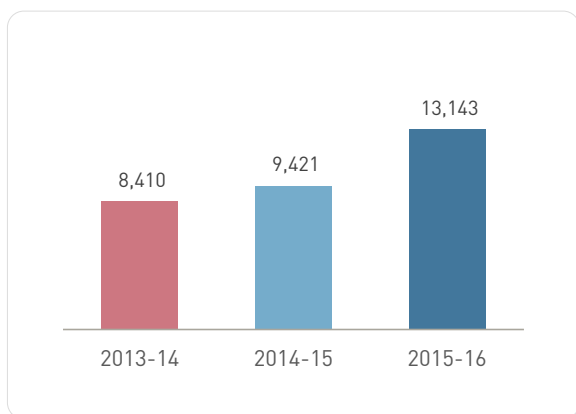
26, Rue des Pyramides
59000 Lille, France.
Ph. No.: +33 320 139131
Fax No.: +33 320 139133

Financial Highlights

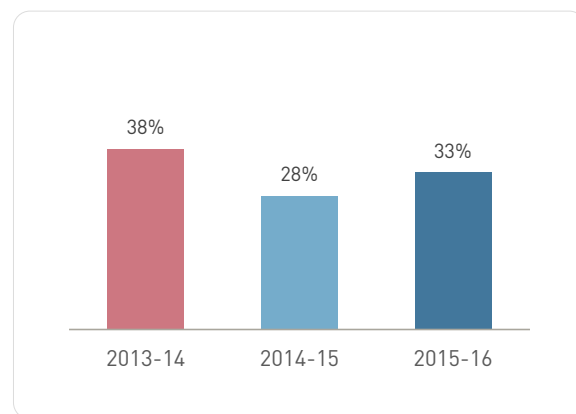
(Rupees in Million)

PARTICULARS	2013-14	2014-15	2015-16
Income from Operations	8,409.94	9,421.20	13,143.16
Other Income	110.20	324.58	410.55
Earnings Before Interest, Depreciation, Taxes and Amortisation	3,645.98	3,479.56	5,271.75
Tax Expenses	759.14	682.58	1,131.84
Profit After Tax	2,556.56	2,296.76	3,629.97
Equity Share Capital	301.77	303.51	407.89
Reserves	5,587.75	6,845.18	10,453.66

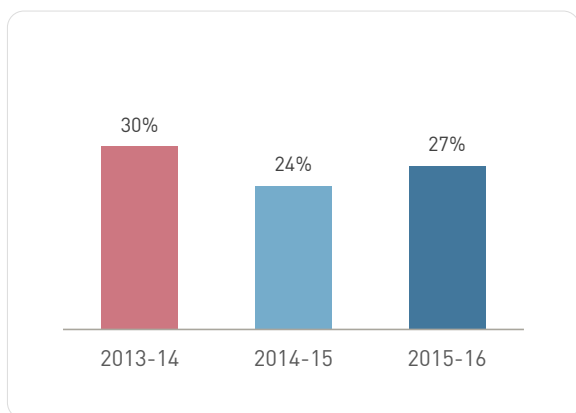
Operating Revenue (Rs. in Million)



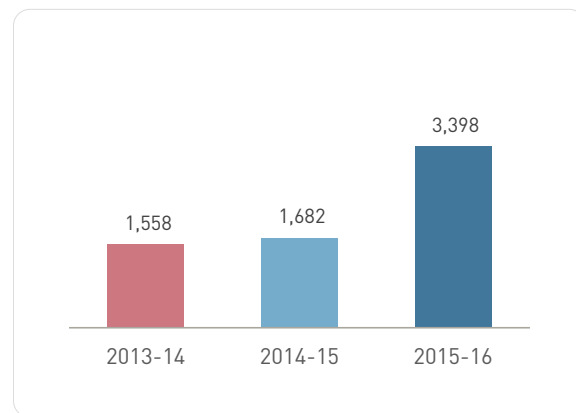
Operating Margin [%]



Profit After Tax [%]



Fixed Assets (Rs. in Million)



Chairman's Message

“I can't change the direction of the wind, but I can adjust my sails to always reach my destination”

– Jimmy Dean, the famous American country music singer and television host, once remarked.

We are living in times of great global transformation, and as the needs and requirements of corporations around the world change, we at eClerx continue to adjust our sails to catch the right winds into the future.

Delivering in Times of Change

We turned sweet sixteen this year.

Over this period, we have built competitive advantage by combining domain expertise, technology, analytics, and knowledge management. This has helped us deliver complex services of consistently high quality. We have responded quickly and stayed agile to be ahead of larger and more established competitors. We have also focused on niche services to access new clients, capabilities, and geographies.

This approach allows us to present our clients with year-on-year cost savings and increased value generation. In turn, this has led to industry-leading return ratios, operating margins, and enviable cash conversion records.

Year in Review

In FY 2015-16, we demonstrated solid business growth in an environment of considerable business uncertainty. The Company's revenue grew by 30% with roughly half the growth coming from the acquisition of CLX Europe, whilst organic growth momentum came once again from our fast growing cable and telecom business.

Digitisation has the potential to transform marketing and service-oriented corporations around the world;

today, it is possible to run digital offices at the front end of the customer value chain, giving nimble and well-positioned companies like ours a great chance to unlock value and deepen client relationships. We managed to do this in our digital business, which grew healthily and added 17 sizeable new clients over the year.

A number of our clients in financial services continued undergoing substantial change thanks to automation, regulatory changes and corporate actions. This led to muted overall growth in our business with them. There has been an overall shift in demand toward higher value services focused on business change and re-engineering, and we are making necessary adjustments in our delivery model.

Overall, business diversification continued, with our top five clients now representing just 57% of revenue, down from 67% the year prior. The overall headcount stands at 8,900 today, up from about 6,000 three years ago.

We also continue to set important industry benchmarks, and these have earned us recognition. We pocketed the coveted Dataquest Business Technology Awards. eClerx was also the 2015 MAKE (Most Admired Knowledge Enterprise) winner for both India and Asia. Our transport management system was selected as an industry best practice during the CIO 100 Awards. We were recognised at the Asia Outsourcing Excellence Awards for 'Use of IT for Operations Excellence', and we were finalists in four categories at NOA (National Outsourcing Awards), 2015.

Shifting Goalposts

We are acutely aware that we cannot rest on our laurels because goalposts for the future are shifting. Swift business and technological evolution makes it difficult to precisely map and forecast how people, processes and markets might behave in the future; today, clients seek service providers who are able to 'fold the future in' and provide more value for less investment.

To grow in these uncertain times, we have commenced four key initiatives:

First, we are re-focusing on key client partnerships with an accent on end-to-end solutions. We are also taking a much more disciplined approach to ensure our clients have access to our full set of capabilities as a firm, rather than individual services and verticals. We believe that this holistic approach – combined with our smart thinking, process reengineering and analytics – will allow us to drive value and competitive advantage for our clients.

Second, we are focused on global delivery by looking beyond the shores of India. As clients increasingly look to service partners for co-creating solutions, they demand more intimate business knowledge and more iterative support, and this needs the service provider to be closer at hand. So, in order to create genuine customer value, we are redoubling our focus on increasing client-location service delivery to augment delivery out of India. We are also happy to report that our centres at Verona and Phuket are now completely integrated with core eClerx operations in India – important milestones in our journey towards creating global delivery capability.

Third, we have deepened our focus on analytics by creating a centre of excellence, delivering advanced analytics capabilities to our clients as well as internally. Our clients demand this capability to allow

them to correctly position their business and reduce risk and cost of operations. Focus has shifted from 'managing' data to extracting value, gaining insights and of course, ensuring that more revenues accrue from data – big or otherwise. We believe this analytics initiative will be critical to our future success.

Finally, as pervasive automation replaces repetitive tasks, we are refocusing our technology efforts to ensure that we capitalise on emerging opportunities such as robotics. In this regard, we are developing technologies, partnering with established platforms and investing heavily in training. We see great opportunity to deliver value to our clients by adding this skill set to our delivery approach, as it allows substantial reduction in risk and cost to our clients, whilst opening new revenue opportunities for us.

Ecosystem for the Future

History teaches us that change is at the very core of evolution and without it, all creatures would look alike and behave the same way. So would companies! Differentiation and innovation form the underlying basis of our business strategy.

By delivering value to key client relationships, ensuring increasingly global delivery, deepening analytics capabilities and developing competencies in robotics, eClerx is building an ecosystem for the future.

Against this backdrop, 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,
29, Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028,
Maharashtra, India.

Internal Auditors

Aneja Advisory Pvt. Ltd.
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. No.: 022 – 6614 8301 | Fax No.: 022 – 6614 8655
E-mail: investor@eClerx.com
CIN: L72200MH2000PLC125319

Registrar & Transfer Agent

Karvy Computershare Private Limited.
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032, Andhra Pradesh, India.
Ph. No.: 040 - 6716 1569 | Fax No.: 040 – 2342 0814
E-mail : einward.ris@karvy.com

Bankers

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

Directors' Report

Dear Members,

Your Directors are pleased to present their Sixteenth Annual Report along with the audited annual accounts for the financial year ended March 31, 2016.

1. FINANCIAL HIGHLIGHTS

Key aspects of Standalone Financial Performance / Operating Performance of the Company for the year ended March 31, 2016 are tabulated below pursuant to the Companies (Accounts) Rules, 2014:-

(Rupees in million)		
Particulars	2015-16	2014-15
Income from Services	11,057.08	8,183.35
Other Income	366.54	319.19
Total Revenue	11,423.62	8,502.54
Operating Expenses	6,885.01	5,516.53
EBITDA	4,538.61	2,986.01
EBITDA%	39.73%	35.12%
Depreciation and goodwill & amortisation	374.02	285.67
Earnings before Exceptional Items, Interest, & Tax	4,164.59	2,700.34
Exceptional Items	259.14	-
Interest Expense	-	-
Taxes	929.01	542.68
Net Profit after Tax	2,976.44	2,157.66
NPM%	26.06%	25.38%

Year in Retrospect

On a standalone basis the total income increased to Rs. 11,057.08 from Rs. 8,183.35 million in the previous year at a growth rate of 35.12%. The EBITDA amounted to

Rs. 4,538.61 as against Rs. 2,986.01 million in the previous year. The Company earned Net Profit After Tax (PAT) of Rs. 2,976.44 for the year as against Rs. 2,157.66 million during the previous year.

The details regarding consolidated performance of the Company are provided in the Management Discussion and Analysis Report.

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 Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Subject to information contained in Notes to the Financial Statements and ongoing Amalgamation process, no material changes and commitments have occurred after the closure of the FY 2015-16 till the date of this Report, which would affect the financial position of your Company.

3. DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, your Directors are pleased to recommend a dividend of Re. 1/- (10%) per share. The total quantum of dividend if approved by the Members will be about Rs. 40.79 million while about Rs. 8.30 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%) in the previous year. The Company intends to maintain historical payout ratio and is exploring efficient methods to achieve the same.

The historical data of dividend distributed by the Company is as follows:

Sr. No.	Dividend	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
1	Interim Dividend	0	0	0	0	0	7.5	2.5
2	Dividend (Final)	35.00	35.00	25.00	17.50	22.50	10	10
3	Total Dividend for the year	35.00	35.00	25.00	17.5	22.5	17.5	12.5
4	Dividend as % of EPS (Basic)	46%	41%	43%	32%	53%	68%	57%
5	Dividend as % of Profit After Tax	46%	41%	44%	32%	53%	45%	38%
6	Tax Amount (Rs Million)	222.28	179.50	126.93	82.50	105.32	31.61	32.18

The register of members and share transfer books will remain closed from Thursday, July 7, 2016 to Wednesday, July 13, 2016 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The Sixteenth Annual General Meeting of the Company is scheduled to be held on Wednesday, July 13, 2016.

4. BONUS SHARES

The Company on December 21, 2015 allotted 10,180,609 Equity Shares of Rs. 10/- each as Bonus Shares to the Shareholders of the Company in the ratio of 1 (One) Equity Share of Rs. 10/- each for every 3 (Three) Equity Shares of Rs. 10/- each held as on the Record Date, i.e. December 18, 2015.

5. 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.

6. SUBSIDIARIES / ASSOCIATE COMPANIES

The Company has following subsidiaries/associates as on March 31, 2016:

Sr. No.	Name of Subsidiaries/Associates
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), step down subsidiary being the subsidiary of Agilyst Inc. (U.S.A.)
7.	eClerx Investments (U.K.) Limited (U.K.)
8.	CLX Europe S.P.A.(Italy), step down subsidiary being the subsidiary of eClerx Investments (U.K.) Limited
9.	Sintetik S.R.L. (Italy), step-down subsidiary being the subsidiary of CLX Europe S.P.A.(Italy)
10.	CLX Media Solutions GmbH (Germany), step-down subsidiary being the subsidiary of CLX Europe S.P.A. (Italy)
11.	CLX Europe Media Solutions Limited (U.K.), step-down subsidiary being the subsidiary of CLX Media Solutions GmbH (Germany)
12.	CLX Thai Company Limited (Thailand), associate company wherein 49% is held by CLX Europe S.P.A. (Italy)

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

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.

A statement containing salient features of performance and financial position of each of the subsidiaries included in the financial statements is attached as Annexure - I to this report in Form AOC -1.

8. SCHEME OF AMALGAMATION BETWEEN AGILYST CONSULTING PRIVATE LIMITED AND THE COMPANY

The Board of Directors of the Company at their meeting held on September 11, 2015 have approved the Scheme of Amalgamation between Agilyst Consulting Private Limited and eClerx Services Limited and their respective shareholders (the "Scheme") which provides for the amalgamation of Agilyst Consulting Private Limited a step down subsidiary, with eClerx Services Limited ('the Company') under sections 391 to 394 and other applicable provisions, if any, of Companies Act, 1956 and other relevant provisions of Companies Act, 2013. The Appointed date of the Scheme is April 1, 2015.

The Company has received Observation letter from BSE Ltd. and the National Stock Exchange of India Limited conveying their no-objection in filing the

Scheme with the Hon'ble High Court of Bombay ('High Court'). The Scheme of Amalgamation was filed by Agilyst Consulting Private Limited with the Hon'ble High Court. The High Court vide its order dated April 1, 2016, has dispensed with the requirement for filing a separate "Company Summons for Direction and Company Scheme Petition" under Sections 391-394 of the Companies Act, 1956 for eClerx Services Limited and therefore there was no requirement for holding meetings of shareholders or creditors of the Company in this regard.

The Scheme is pending before the Hon'ble Court for approval and would be effective only once the order is received from Hon'ble High Court of Bombay and filed with the Registrar of Companies. Thereafter, the Scheme will be given effect to in the books of accounts of the Company.

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

As per explanation to Section 134 of the Companies Act, 2013, the Internal Financial Controls (IFC) 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.

10. INCREASE IN SHARE CAPITAL

Particulars	No. of Shares	Amount in Rs.
Issued, subscribed and Paid-up Capital as on April 1, 2015	30,350,885	303,508,850
Add: Number of shares allotted during the year FY 2015-16;		
On account of ESOP Allotment	257,192	25,71,920
On account of Bonus Allotment	10,180,609	101,806,090
Issued, subscribed and Paid-up Capital as on March 31, 2016	40,788,686	407,886,860

11. STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai, [ICAI Registration No. 101049W / E300004] 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 FY 2016-17.

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.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

12. EXTRACT OF ANNUAL RETURN

Information as required under Section 134 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.

13. SIGNIFICANT AND MATERIAL ORDERS

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

14. DIRECTORS

In accordance with the Articles of Association of the Company, Anjan Malik, [DIN: 01698542] retires from office by rotation, and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting of the Company.

The brief resume of Anjan Malik as required, inter-alia, in terms of Regulation 36 of the Listing Regulations and 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. Anjan Malik is not a key managerial personnel pursuant to the provisions of Companies Act, 2013.

No Director or Key Managerial Personnel have resigned or been appointed during the year under review.

15. 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.

16. BOARD, DIRECTORS AND COMMITTEE EVALUATION

The Companies Act 2013, rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 including independent directors has been carried out; and
- Evaluation criteria.

To this effect, the Board of Directors had appointed an external expert on Board evaluation, for facilitating and carrying out the said evaluation who carried out the review, analysis, 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 maximisation for 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 counseling 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.

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.

17. 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 introductory familiarisation program is undertaken as and when there is a new induction on the Board of the Company, which, inter-alia, covers the following:

- a) Introduction and meeting with other Directors on the Board and the Senior Management;
- b) Brief introduction about the business and nature of industry of the Company in which it operates;
- c) Roles, rights and responsibilities of directors including independent Director(s);
- d) Extant Committees of Board of Directors;
- e) 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;
- f) The Codes of Conduct which are in place and applicable to the Directors;
- g) Remuneration payable to Directors pursuant to Shareholders approval to that effect;
- h) Liability Insurances taken by the Company to cover directors.

In addition to this, periodic familiarisation programs are conducted for the directors. The details of familiarisation programmes imparted to independent directors have been posted on the website on <http://www.eclerx.com/Corporate%20Governance/Details%20of%20Familiarisation%20Programmes%20for%20Independent%20Directors.pdf>

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 and their letter of appointment containing the requisite familiarisation details has been posted on the website on <http://www.eclerx.com/Corporate%20Governance/Standard%20terms%20and%20conditions%20of%20a%20ppointment%20of%20Non-Executive%20Independent%20Directors.pdf>.

18. 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:

- (a) in the preparation of the annual accounts for the FY 2015-16, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 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.

19. BOARD MEETINGS

During the FY 2015-16, 8 (Eight) Board Meetings were held as follows:

May 4, 2015	May 25, 2015	Jul 17, 2015
Aug 10, 2015	Sep 11, 2015	Nov 2, 2015
Jan 29, 2016	Mar 17, 2016	

The number of committees and particulars of attendance of the Directors at the board and committee meetings are detailed in the Corporate Governance Report of the Company, which forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

20. AUDIT COMMITTEE

Composition of Audit Committee:

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

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

21. REPORTING OF FRAUD BY THE STATUTORY AUDITORS

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended from time to time, if an auditor of a company, in the course of performance of his duties as Statutory Auditor, has reason to believe that an offence of fraud involving individually an amount below rupees one crore, is being or has been committed against the company by its officers or employees, the auditor shall report the matter to the Audit Committee of the Company.

There were no such instances of fraud reported by the Statutory Auditor during the FY 2015-16.

22. NOMINATION AND REMUNERATION POLICY

In terms of provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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>

23. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 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>

24. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Particulars	Amount (Rs. in Million)
Loan	NIL
Guarantee	Please refer Notes to Standalone Financial Statements – Note No. 35
Investment	Please refer Notes to Standalone Financial Statements – Note No. 12

25. 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.

Particulars of Transactions, Contracts or Arrangements with Related Parties

(Rupees in million)

Form 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)							
Name	Nature of Transaction	Relationship	Salient Terms	Duration	Date of Approval by the Board	Transactions during the year March 31, 2016	Outstanding Balance as at March 31, 2016
eClerx Limited	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014/ ongoing	471.33	90.75 Payable
	Expenses incurred by holding Company on behalf of subsidiary		N.A.			1.29	
	Amount received by holding Company on behalf of the subsidiary		N.A.			10.67	
eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014/ ongoing	984.44	96.85 Payable
	Expenses incurred by holding Company on behalf of subsidiary		N.A.			8.28	
	Amount received by holding Company on behalf of the subsidiary		N.A.			0.30	
	Amount received by subsidiary on behalf of the Company		N.A.			3.15	
Anjan Malik	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	277.28	-
PD Mundhra	Remuneration	Executive Director	N.A.	5 years (April 1, 2015 to March 31, 2020)	October 30, 2014	22.30	-
	Dividend		N.A.	FY 2014-15	May 25, 2015	277.13	
V.K. Mundhra	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	1.13	-
Rohitash Gupta	Remuneration (including stock option gain)	Key Management Personnel	N.A.	Ongoing /FY 2014-15	Ongoing	12.04	-
	Dividend		N.A.		May 25, 2015	2.57	
Gaurav Tongia	Remuneration (including stock option gain)	Key Management Personnel	N.A.	Ongoing /FY 2014-15	Ongoing	3.20	-
	Dividend		N.A.		May 25, 2015	0.03	

Particulars of Transactions, Contracts or Arrangements with Related Parties

(Rupees in million)

Form 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)							
Name	Nature of Transaction	Relationship	Salient Terms	Duration	Date of Approval by the Board	Transactions during the year March 31, 2016	Outstanding Balance as at March 31, 2016
Duncan Stratton & Company Limited	Rent and electricity	Common Director	Leave and License Agreement for a period 3 years	36 months (October 1, 2014 to September 30, 2017)	October 30, 2014	0.06	-
eClerx Private Limited	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014/ ongoing	62.09	11.79 Payable
	Expenses incurred by holding Company on behalf of subsidiary		N.A.			0.41	
	Expenses incurred by subsidiary on behalf of holding Company		N.A.			0.35	
Agilyst Inc	Sales and Marketing Services	Step Down Subsidiary	Contract of Sales and Marketing	Ongoing	March 31, 2015	62.03	61.28 Payable
	ITES Services provided by the ultimate holding company to step down subsidiary		Contract of ITES Services			480.46	
Agilyst Consulting Private Limited	Assets Transferred*	Step Down Subsidiary	N.A.	N.A.	May 20, 2014	0.55	-
	Liability Transferred*		N.A.			50.83	
	Amount received by holding company on behalf of subsidiary		N.A.	FY 2016		1.38	
	Expenses incurred by the step subsidiary on behalf of the ultimate holding Company		N.A.	N.A.		0.09	
	Rent on assets leased		N.A.	N.A.		45.78	
CLX Europe S.P.A.	Services provided by the ultimate holding Company to step down Subsidiary	Step Down Subsidiary	Contract of ITES Services	Ongoing	May 25, 2015	28.15	6.05 Receivable
eClerx Investments (U.K.) Limited	Investment in Equity shares and optionally convertible preference share	Wholly Owned Subsidiary	Investment	Ongoing	March 13- May 25, 2015	1,835.52	-
<p>* The services of all employees and other employee benefits of Agilyst Consulting Private Limited, step down subsidiary, have been transferred to Company with effect from April 01, 2015</p> <p style="text-align: right;">For and on behalf of the Board of Directors eClerx Services Limited</p> <p>Place: Mumbai Date: May 20, 2016</p> <p style="text-align: right;">V. K. Mundhra Chairman</p>							

Pursuant to Related Party disclosure requirements under Part A of Schedule V of Listing Regulations, there are no loans and advances in nature of loans outstanding for the year ended March 31, 2016, from subsidiaries, associate companies or firms/ companies in which directors are interested.

26. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, and Rules thereunder, a Secretarial Audit Report for the FY 2015-16 in Form MR 3 given by M/s. Pramod Shah & Associates, Company Secretary in practice is attached as Annexure-III with this report. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse remark.

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

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

28. 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 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. The Company has also laid down procedures to inform the Board of Directors about risk assessment and minimisation procedures.

29. 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 FY 2015-16:

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

30. CORPORATE SOCIAL RESPONSIBILITY

Brief outline on the CSR Policy

The Company continues to earmark a corpus every year for CSR activities. The eClerx Cares team 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 eClerx, we believe 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 increased interest shown by our employees to volunteer and support our partner NGOs.

Through Payroll Giving, the Company matches employee's contribution by 1:1. Employees can choose to contribute a fixed amount deducted monthly through CRY or choose to sponsor annual fees through Nanhi Kali or CRY for primary or secondary education.

Employees are also encouraged to participate in the engagement activities laid out across the year. In FY

2015-16, the engagement activities where employees participated enthusiastically are listed below:

- A 120-member team of Company's employees participated in the Standard Chartered Mumbai Marathon pledging their support to the cause of education for the poor and downtrodden;
- Annual Learn-and-Fun event for the students of schools sponsored through our corporate funding;
- 'Be a Santa' – activity where employees donated gifts requested by children of an NGO supported by us at each location;
- One day salary contribution drive towards Maharashtra drought relief through Dilasa Sanstha;
- Visit to 5 LAHI schools by Senior management during eClerx's annual day at Pune in December 2015 where the school children engaged our Senior Leads in various activities like gardening and agricultural techniques – land preparation and seed plantation, welding and carpentry, wall graffiti on classroom walls, and food processing – preparing and packaging sweets.

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 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-%20Jan2016.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)
2012-13	1,906.34
2013-14	3,090.23
2014-15	2,700.34
Total Profit	7,696.91
Average Profit	2,565.64

e. Prescribed CSR Expenditure (2% of the average profit as in item (d) above):- Rs.51.31 Million**f. Details of CSR spent during the financial year**

(a) amount spent during Financial Year: Rs. 51.68 Million

(b) amount unspent, if any: Nil

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

Sr. 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, 2016 (Rs. in Million)	Amount spent: Direct or through implementing agency*
1	Samparc	Child Education	Other - Maharashtra	14.78	14.78	14.78	Through Implementing Agency
2	Muktangan	Child Education	Local Area - Mumbai	9.49	9.49	9.49	Through Implementing Agency
3	Magic Bus	Child Education	Other - Maharashtra	5.56	5.83	5.83	Through Implementing Agency
4	Lend a Hand India	Child Education	Other - Maharashtra	5.70	5.70	5.70	Through Implementing Agency
5	Sanskriti Samvardhan Mandal	Child Education	Other - Maharashtra	5.30	5.30	5.30	Through Implementing Agency
6	Dilasa Sanstha	Drought Relief	Other - Maharashtra	5.65	5.65	5.65	Through Implementing Agency
7	Amar Bharat Vidyapeeth	Child Education	Other - Bengal	3.50	3.50	3.50	Through Implementing Agency
8	CRY	Child Education	Local Area - Mumbai	0.68	0.68	0.68	Through Implementing Agency
9	K C Mahindra Trust A/C Nanhi Kali	Child Education	Local Area - Mumbai	0.43	0.43	0.43	Through Implementing Agency
10	United Way	Child Education (Administrative Expenses)	Local Area - Mumbai	0.32	0.32	0.32	Through Implementing Agency
Total				51.41	51.68	51.68	

Details of implementing Agency(ies):*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 Poynad Balgram;
- Vocational training support to the rural school dropouts;
- 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.

Muktangan

- eClerx wholly funds 1 school (pre-school to Std. VIII) in Mumbai;
- Support for 350+ students (including 26 differently abled children) and 46 teachers at Dr. Ambedkar Municipal School, Parel - children of defunct mill workers and odd job workers;
- Apart from academics, the students develop aesthetic skills and appreciation through participation in performing and creative arts (e.g. drama, music, sports etc.).

Magic Bus

- eClerx funds the child education program by Magic Bus which targets to holistically develop the child and implement the behaviour change

leading to development of positive attitude and behaviour toward education, gender equality, health elements of the children's school cycle;

- Magic Bus Sports for Development Program implemented in carefully chosen underprivileged communities of Mumbai and Pune;
- Children living in shanties in the Mumbra and Kalwa localities in Mumbai and Sanjay Gandhi Nagar and Anand Nagar in Pune. Their economic condition does not permit them to live normal lifestyle.

Lend-A-Hand-India (LAHI)

- eClerx funds provides 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;
- Project Swadheen introduces students to multiple vocational trades; enhancing problem solving skills, and increasing the high school graduation rate and enrollment in technical education courses.

Sanskriti Samvardhan Mandal - Strengthening Resources for Emerging Excellence (SREE)

- Project Sagroli Ahead - A support project to Quality Education. Objective is to create education friendly atmosphere in Sagroli village by initiating well designed various curricular and extracurricular activities for overall development of the students.
- Project Sagroli Sunrise - A project to carve rural athletes. Objective is to carve career of the rural children in sports, athletics in particular. The project has been felicitated as 'The real Heroes of the Nation' by CNN IBN in 2006. Project funding for necessary tools & equipment for athletes, diet, coach and other recurring expenses.

- Vocational Training Center (VTC) 'Utkarsh' – Objective is to empower unemployed rural youths with vocational skills making them self-reliant.
- School Infrastructure - Updation of infrastructure because of inadequate, irregular and scanty financial support from the Government. Funding for dual desk, science laboratory tools, equipment, apparatus and teaching aids.
- Primary School upgrade - Renovation and expansion of 50 year old school. School building is now insufficient for increasing number of students and class room educational activities, so new class rooms need to be provided. Construction of first floor (7 class rooms and 1 recreation hall).

Dilasa Sanstha

- eClerx adopts 4 villages – Bhogji, Adsulwadi, Adhala, and Fakrabad in Kalamb and Washi Block of Osmanabad District in the drive for drought relief;
- Drought eradication program through Natural Resource Management (NRM) with community Participation;
- Activities conducted related to water and land management - Phad irrigation schemes, Pasture Development, Horticulture - Soil Conservation Watershed Development, Creation of self-help groups, implementation of income generating projects, irrigation through Dam Canals.

Amar Bharat Vidyapeeth - Parivaar

- eClerx works with Parivaar to fund Amar Bharat Vidyapeeth in Bengal;
- Working for development of orphans, girl children highly vulnerable to exploitation, victimization, and trafficking, street children, abandoned children, extremely impoverished children from

tribal areas at Parivaar Ashram, Village - Barkalikapur, West Bengal;

- Each resident child once admitted is under the care and custody of Parivaar till higher education (graduation/post-graduation) and subsequent job placement and settlement into the future phase of life;
- Currently 1160 resident children are in the school starting from the age of 4 years.

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.

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.

Mumbai
May 20, 2016

PD Mundhra
Executive Director

Deepa Kapoor
Chairperson
CSR Committee

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

31. AWARDS AND ACCOLADES

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

- recognised in CIO 100 – eTMS (Transport Management System) has been selected as an industry best practice in CIO 100 awards;

- recognised at Asia Outsourcing Excellence Awards in the category 'Use of IT for Operations Excellence';
- won the Dataquest Business Technology Awards;
- recognised as a 2015 MAKE (Most Admired Knowledge Enterprise) India winner and the larger 2015 MAKE Asia winner. The 2015 MAKE panel recognized eClerx Services for managing customer/stakeholder knowledge;
- won the NetApp Innovation Awards 2015;
- recognised as a finalist in four categories at NOA (National Outsourcing Awards), 2015.

32. 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:1:5.65 (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: 25%, Chief Financial Officer: 10% and Company Secretary: 11.5%;
- The percentage increase in the median remuneration of employees in the financial year:- 5.1%;
- The number of permanent employees on the rolls of the Company:- On rolls employee count as on March 31, 2016 was 8,550;
- 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 2016	March 31 2015	At the time of IPO
Price Earning Ratio			
Basic	14.55	20.91	NA
Diluted	14.87	21.39	NA
Share Price on NSE (Rs.)	1,299.15	1,585.55	315
Number of outstanding Shares	40,788,686	30,350,885	18,868,849
Market Cap (Rs. Mln.)	52,990.62	48,122.85	5,943.69
Increase over the IPO (%)*	725%		

*Following are details of bonus shares issued by the Company:

- (i) bonus shares in the ratio of one Equity Share for every two Equity Shares of Rs. 10 each held in July, 2010.
 - (ii) bonus shares in the ratio of one Equity Share for every three Equity Shares of Rs. 10 each held in December, 2015.
- 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:- 10.2% for employees other than senior managerial personnel v/s 9.2% 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.	Payment of Remuneration by way of commission of Rs. 15 Lacs per director p.a.	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	Remuneration will be paid in proportion to the term served in the Company, during the year.	Nil
Service contract, notice period, severance fees	The tenure will be subject to termination by three (3) months prior notice in writing on either side, and all other terms are as per the Company policy.	Pursuant to the provisions of the Companies Act, 2013 and other relevant regulations	
Stock option details	NA	No such options were granted in FY 2015-16	NA

33. EMPLOYEES' STOCK OPTION PLAN

Pursuant to the applicable requirements of the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI guidelines'), your Company had framed and instituted Employee Stock Option Plan 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. Further, during the year under review, your Company has also instituted Employee Stock Option Scheme/ Plan 2015 as per the SEBI (Share Based Employee Benefits) Regulations, 2014 pursuant to the special resolution passed by the shareholder at the Fifteenth Annual

General Meeting on July 17, 2015 and approved a total number of 1,600,000 options under this scheme. The Scheme envisages an ESOP Trust which is authorised for secondary market acquisition. However, no options have been granted under the Scheme as on March 31, 2016 and the Company is in the process of instituting the ESOP trust post which rest of activities for

implementation thereof, would follow.

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, 2016:-

Particulars	ESOP 2008*	ESOP 2011*
Options granted during the year	Nil	604,110
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 finalizes 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 31.03.2016 (net)	55,867	79,301
Options exercised and allotted during the year	147,851	109,341
The total number of equity shares arising as a result of exercise of options	147,851	109,341
Options lapsed/forfeited /expired during the year	1	545,447
Variation of terms of options during the year	Nil	Nil

Particulars	ESOP 2008*	ESOP 2011*
Money realised during the financial year 2015-2016 by exercise of options (nominal value)	1,478,510	1,093,410
Total number of options outstanding at the end of the year	55,867	1,988,055
Details of options granted to Employee:		
(i) Senior Managerial Personnel	As per statement attached	As per statement attached
(ii) Any other employee receiving a grant in any one year of option amounting to 5% or more	Fiscal 2009-10:- Scott Houchin	Fiscal 2012-13:- Scott Houchin
	Fiscal 2010-11:- Scott Houchin	Fiscal 2013-14:- Nil
	Fiscal 2011-12:- Scott Houchin	Fiscal 2014-15:- Nil Fiscal 2015-16:- 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. 71.63 for the year ended on March 31, 2016	
Method used to account ESOPs	Intrinsic value	
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. 61.55 million	
	Diluted EPS : Rs. 70.24 (post adjustment for aforesaid impact on profits)	
Vesting Schedule/Requirements and maximum term of options granted	Options granted under the respective ESOP Scheme(s) / Plan(s) would not earlier than one year and not later than five years from date of grant of such options.	

*Pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the number of options have been suitably adjusted, as required, for Bonus issue in July 2010 in the ratio of 1:2 i.e. one bonus option for every two options held and in December 2015 in the ratio of 1:3 i.e. one bonus option for every three options held.

Requisite disclosures pertaining to ESOPs as per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are provided in the Annual report of the Company, as also on the weblink: http://www.eclerx.com/Pages/Corp_Investors_Financials.aspx. For determination of expected volatility the Company followed Black and Scholes formula.

During the year, the Nomination and Remuneration Committee has approved the closure of ESOP Scheme 2005 and ESOP Scheme 2008 and there will not be any further dilution under the said Schemes /Plans for fresh grants/options not granted/subsequently forfeited. Also, there will be no grant of shares under ESOP Scheme 2011 henceforth.

Further, under ESOP Scheme 2015, the number of grantees has been reduced and is restricted to top senior management. The other employees who were being granted ESOPs earlier, will now receive deferred cash incentives. Thus the expected dilution for fresh grants will be reduced to about 0.8% of then equity capital as against about 2% in the past.

Details of options granted to senior managerial persons of your Company as on March 31, 2016:

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	49,000	0
	Rohitash Gupta	68,500	49,000	0
	Sandeep Dembi	42,000	34,000	0
ESOP 2011	Hoshi Mistry	41,467	3,334	31,467
	Rohitash Gupta	41,467	3,334	31,467
	Sandeep Dembi	42,578	0	35,912
	Sanjay Kukreja	47,024	0	40,356
	Chitra Padmanabhan	35,467	0	35,467
	Amit Bakshi	35,467	0	35,467

Details of options granted to senior managerial persons of foreign subsidiaries of your Company as on March 31, 2016:-

ESOP Scheme	Name of key managerial personnel	No. of options granted*	No. of options exercised*	No. of options outstanding #*
ESOP 2008	John Stephens	17,000	4,999	4,001
	Scott Houchin	150,001	116,668	0
ESOP 2011	Scott Houchin	125,555	15,556	86,666
	John Stephens	53,778	0	47,112
	Alan Paris	65,234	12,566	42,668
	Robert Horan	48,000	0	48,000
	Roberto Antoniotti	16,000	0	16,000

#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.

*Pursuant to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, and SEBI (Share based Employee Benefits) Regulations, 2014, the number of options have been adjusted, as required, for Bonus issue in December 2015 in the ratio of 1:3, that is, one bonus option for every three options held.

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. (3.40) million on the Statement of profit and loss account for the year ended on March 31, 2016 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.

34. HUMAN RESOURCE MANAGEMENT

Learning is a sustainable, participative process that facilitates the development of people through their own processing of information into knowledge and skills that can be effectively utilised on the job. Recognising people development as a true differentiator over competitors, the Company significantly invested in high-value training and development programs this year.

Business Analytics being identified as a key focus area, the Company sponsored employees to undergo hands-on analytics programs from some of the best institutes in India. Additionally, in-house trainers were certified on new analytics tools and platforms, which were then internalised for employees as part of the on-going capability development program.

To ensure a good success rate of managers in jobs of higher complexity, it is vital to assess their readiness for such roles, prior to assigning greater responsibilities to them. As an integral part of its HIPO (high potential) program, the Company runs in-house Potential Development Centres for competency assessment and development. A team of seasoned practitioners from the organization and industry are involved in assessing the competencies of select managers through multiple, validated evaluation techniques. The output is a list of strengths and development needs that are then leveraged and worked upon through individual development plans, thereby creating a pool of high-potential, high-performing managers who are ready to take on the next role.

As a testament to our pledge for continuous learning and development, in January 2016, the Company was named a MAKE (Most Admired Knowledge Enterprise) India winner for the fifth straight year. Additionally, this is the third year that the Company has won the MAKE Asia award; and this time, the Company ranked first on the dimension 'creating value from customer / stakeholder knowledge'.

35. CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has prescribed certain corporate governance standards vide regulations 24 and 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.

36. SUCCESSION PLANNING

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

37. 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) for 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 Government 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 20, 2016

Annexure-I

Form AOC - 1
Statement pursuant to Section 129(3) of the Companies Act, 2013 and the rules made thereunder, relating to subsidiary companies and associate companies for the Financial Year ended on March 31, 2016

(Rupees in million)

Name of Subsidiary	Reporting Financial Period ended	Reporting Currency	Exchange Rate as on March 31, 2016	Issued and Subscribed share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment in other than subsidiaries	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit after tax	Proposed Dividend	Holding interest (in equity shares)*	Shares held by the Holding Company in the subsidiary
eClerx Limited	31-Mar-16	GBP	95.0882	0.01	149.81	240.88	91.06	-	533.22	34.40	6.80	27.60	-	100%	100
eClerx LLC	31-Mar-16	USD	66.3329	0.01	136.68	322.58	185.89	-	1,230.93	67.36	31.58	35.78	-	100%	100
eClerx Private Limited	31-Mar-16	SGD	49.0162	0.01	27.32	36.56	9.23	-	85.13	1.96	-	1.96	-	100%	1
eClerx Investments Limited	31-Mar-16	GBP	95.0882	1,292.75	(590.07)	702.68	-	-	(448.67)	(448.67)	-	-	-	100%	^13,595,323
Agilyst Inc.	31-Mar-16	USD	66.3329	0.01	502.73	535.93	33.19	-	867.27	240.53	86.03	154.50	-	100%	1,000,000
Agilyst Consulting Private Limited	31-Mar-16	INR	-	0.10	263.44	263.54	-	191.67	1.77	5.57	8.16	(2.59)	-	100%	10,000
eClerx Investments (UK) Limited	31-Mar-16	GBP	95.0882	1,776.83	41.67	1,864.69	46.19	-	-	53.16	10.56	42.60	-	100%	^^18,686,112
CLX Europe S.P.A	31-Mar-16	EUR	75.0955	1,750.61	(364.83)	2,536.59	1,150.81	-	1,111.36	104.01	54.11	49.90	-	100%	35,885,448
Sintetik S.R.L.	31-Mar-16	EUR	75.0955	0.75	(0.42)	28.27	27.94	-	52.81	(2.69)	(0.30)	(2.39)	-	100%	10,000
CLX Europe Media Solution GmbH	31-Mar-16	EUR	75.0955	38.40	131.52	191.47	21.55	-	214.10	20.13	6.85	13.28	-	100%	511,292
CLX Europe Media Solution Limited	31-Mar-16	GBP	95.0882	0.01	84.48	193.10	108.61	-	458.70	(0.67)	0.53	(1.20)	-	100%	2

^ Out of which 7,776,000 are Optionally Convertible Redeemable Preference Shares
 ^^ Out of which 13,434,888 are Optionally Convertible Redeemable Preference Shares
 * Refer Note 23 in consolidated Financial Statements for details of Holding Company.

Part B : Associate Companies	CLX Thai Company Limited
1. Latest audited Balance Sheet Date	31st March 2016
2. Shares of Associate held by the company on the year end	
No of Shares.	^^^2940
Amount of Investment in Associate	2,940,000
Extend of Holding %	49%
3. Description of how there is significant influence	Parent controls voting power
4. Reason why the associate is not consolidated	It is 100% consolidated as per accounting standard since CLX controls voting power and minority interest is shown separately
5. Networth attributable to Shareholding as per latest audited Balance Sheet	11.43
6. Profit / Loss for the year	4.55
i. Considered in consolidation	4.55
ii. Not considered in consolidation	0

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

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

Annexure-II

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2016 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 - 400 023, Maharashtra, India. Ph. No.: +91 (22) 6614 8301 Fax No. : +91 (22) 6614 8655 E-mail : 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 -500 032, Andhra Pradesh, India. Ph. No.: + 91 (40) 6716 1569 Fax No: +91 (40) 2342 0814 E-mail: einward.ris@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:

Sr. No.	Name 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)	U74140MH2008PTC271316	Step down subsidiary		Section 2(87)
7	eClerx Investments (U.K.) Limited (U.K.)	NA	Wholly owned subsidiary	100%	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	Sintetik 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)

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

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year i.e. April 1, 2015				No. of shares held at the end of the year i.e. March 31, 2016				% 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	26.24	10,285,914	0	10,285,914	25.22	(1.02)
b	Central Government(s)	0	0	0	0	0	0	0	0	
c	State Government(s)	0	0	0	0	0	0	0	0	0
d	Bodies Corporate	0	0	0	0	0	0	0	0	0
e	Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
f	Others	0	0	0	0	0	0	0	0	0
	Sub-Total A(1)	7,964,436	0	7,964,436	26.24	10,285,914	0	10,285,914	25.22	(1.02)
2	FOREIGN									
a	NRIs - Individuals	7,946,683	0	7,946,683	26.18	10,262,243	0	10,262,243	25.16	(1.02)
b	Other - Individuals	0	0	0	0	0	0	0	0	0
c	Bodies Corporate	0	0	0	0	0	0	0	0	0
d	Banks/Financial Institutions	0	0	0	0	0	0	0	0	0
e	Any Others	0	0	0	0	0	0	0	0	0
	Sub-Total A(2)	7,946,683	0	7,946,683	26.18	10,262,243	0	10,262,243	25.16	(1.02)
	Total A=A(1)+A(2)	15,911,119	0	15,911,119	52.42	20,548,157	0	20,548,157	50.38	(2.04)
B	PUBLIC SHAREHOLDING									
1	INSTITUTIONS									
a	Mutual Funds/UTI	3,465,433	0	3,465,433	11.42	5,727,127	0	5,727,127	14.04	2.62
b	Financial Institutions/Banks	61,022	0	61,022	0.20	11,290	0	11,290	0.03	(0.17)
c	Central Government(s)	0	0	0	0	0	0	0	0	0
d	State Government(s)	0	0	0	0	0	0	0	0	0
e	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f	Insurance Companies	0	0	0	0	0	0	0	0	0
g	Foreign Institutional Investors/ Foreign Portfolio Investors	8,253,548	0	8,253,548	27.19	11,076,539	0	11,076,539	27.16	(0.03)
h	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i	Others	0	0	0	0	0	0	0	0	0
	Sub-Total B(1)	11,780,003	0	11,780,003	38.81	16,814,956	0	16,814,956	41.22	2.41

SI NO.	Category of Shareholders	No. of shares held at the beginning of the year i.e. April 1, 2015				No. of shares held at the end of the year i.e. March 31, 2016				% change in share holding during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
2 NON- INSTITUTIONS:										
a Bodies Corporate										
i)	Indian	685,746	0	685,746	2.26	693,510	0	0	1.70	(0.56)
ii)	Overseas	0	0	0	0	0	0	0	0	0
b Individuals										
i)	Individuals holding nominal share capital upto Rs.1 lakh	1,025,058	38	1,025,096	3.38	1,419,372	66	1,419,438	3.48	0.10
ii)	Individual shareholding nominal share capital in excess of Rs.1 lakh	790,342	0	790,342	2.60	1,162,313	0	1,162,313	2.85	0.25
c Others										
i)	Non Resident Indians	136,722	0	136,722	0.45	113,063	0	113,063	0.28	(0.17)
ii)	Clearing Members	19,757	0	19,757	0.07	31,981	0	31,981	0.08	0.01
iii)	Trusts	2,100	0	2,100	0.01	2,216	0	2,216	0.01	0
iv)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
v)	NBFC	0	0	0	0	3,052	0	3,052	0.01	0.01
Sub-Total B(2)		2,659,725	38	2,659,763	8.76	3,425,506	67	3,425,573	8.40	(0.37)
Total B=B(1)+B(2)		14,439,728	38	14,439,766	47.58	20,240,462	67	20,240,529	49.62	2.04
Total (A+B)		30,350,847	38	30,350,855	100.00	40,788,619	67	40,788,686	100.00	0
C Shares held by custodians, against which Depository Receipts have been issued										
Promoter and Promoter Group		0	0	0	0	0	0	0	0	0
Public		0	0	0	0	0	0	0	0	0
Grand Total (A+B+C) :		30,350,847	38	30,350,855	100.00	40,788,619	67	40,788,686	100.00	0

ii) Shareholding of Promoters

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year i.e. April 1, 2015			No. of shares held at the end of the year i.e. March 31, 2016			% change in share holding during the year
		No. of Shares	% of the 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	26.10	0	10,229,666	25.08	0	(1.02)
2	Priyadarshan Mundhra	7,917,862	26.09	0	10,223,816	25.07	0	(1.02)
3	Vijay Kumar Mundhra	32,287	0.11	0	43,049	0.11	0	
4	Pawan Malik	24,433	0.08	0	32,577	0.08	0	
5	Supriya Modi	14,062	0.05	0	18,749	0.05	0	
6	Shweta Mundhra	225	0.00	0	300	0.00	0	
	Total	15,911,119	52.42	0	20,548,157	50.38	0	(2.04)

iii) Change in Promoters' Shareholding

Sr. No.	No. of shares held at the beginning of the year i.e. April 1, 2015		Increase/Decrease No. of shares	Cumulative Shareholding at the end of the year i.e. March 31, 2016	
	No. of Shares	% of total shares of the company		No. of shares	% of total shares of the company
1.	At the beginning of the year	15,911,119	52.42	-	-
	(a) Sale of Shares on November 5, 2015				
	Anjan Malik	-	-	250,000	-
	Priyadarshan Mundhra	-	-	250,000	-
	(b) Bonus Allotment on December 21, 2015				
	Anjan Malik	-	-	25,57,416	10,229,666
	Priyadarshan Mundhra	-	-	25,55,954	10,223,816
	Vijay Kumar Mundhra	-	-	10,762	43,049
	Pawan Malik	-	-	8,144	32,577
	Supriya Modi	-	-	4,687	18,749
	Shweta Mundhra	-	-	75	300
2.	At the End of the year	-	-	-	20,548,157
					50.38

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year i.e. April 1, 2015		Cumulative Shareholding at the end of the year i.e. March 31, 2016	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Matthews India Fund	2,339,076	7.71	3,059,957	7.50
2.	Fidelity Puritan Trust	1,350,000	4.45	1,800,000	4.41
3.	SBI Magnum Balanced Fund	196,582	0.65	831,152	2.04
4.	HDFC Trustee Company Limited	592,836	1.95	801,836	1.97
5.	ICICI Prudential Value Discovery Fund	558,234	1.84	742,659	1.82
6.	Franklin Templeton Mutual Fund	292,000	0.96	698,450	1.71
7.	Goldman Sachs India Fund Limited	219,542	0.72	590,610	1.45
8.	Saif Advisors Mauritius Limited	441,575	1.45	588,766	1.44
9.	Franklin India Smaller Companies Fund	300,759	0.99	582,409	1.43
10.	UTI Equity Fund	0	0.00	574,447	1.41

* 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 Pattern of Directors and Key Managerial Personnel

Sr. No.	Details For Each of the Directors and KMP including Benpos date	Shareholding at the beginning of the year i.e. April 1, 2015		Cumulative Shareholding at the end of the year i.e. March 31, 2016	
		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	-	-
	Allotment of Bonus Shares on 21-12-2015	10,762	0.03	-	-
	Allotment of Fractional Entitlement of Bonus Shares on 21-12-2015*	4,384	0.01	-	-
	Sale of Fractional Entitlement of Bonus Shares on 01-02-2016*	(4,384)	0.01	43,049	0.11
2.	PD Mundhra - Executive Director	79,17,862	26.09	-	-
	Sale of Shares on 05-11-2015	(2,50,000)	0.82	-	-
	Allotment of Bonus Shares on 21-12-2015	25,55,954	6.28	1,02,23,816	25.07

* With reference to the issue of bonus shares, pursuant to shareholders' resolution dated December 7, 2015 the fractional shares generated were consolidated and allotted to Mr. V K Mundhra who held the same as trustee(s) for the members entitled thereto. The said 4,384 fractional shares were sold at the prevailing market rate and the net sale proceeds thereof, were distributed to Members in proportion to their fractional entitlements.

vi) Shareholding Pattern of Directors and Key Managerial Personnel

Sr. No.	Details For Each of the Directors and KMP including Benpos date	Shareholding at the beginning of the year i.e. April 1, 2015		Cumulative Shareholding at the end of the year i.e. March 31, 2016	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Anjan Malik - Non Executive Director	79,22,250	26.10	-	-
	Sale of Shares on 05-11-2015	(2,50,000)	0.82	-	-
	Allotment of Bonus Shares on 21-12-2015	25,57,416	6.28	1,02,29,666	25.08
4.	Pradeep Kapoor - Non Executive Independent Director	13,636	0.04	-	-
	Allotment of ESOP Shares on 24-11-2015	1,500	0.00	-	-
	Allotment of Bonus Shares on 21-12-2015	5,045	0.01	20,181	0.05
5.	Anish Ghoshal - Non Executive Independent Director	1	0.00	-	-
	Allotment of ESOP shares on 21-09-2015	1,500	0.00	-	-
	Sale of Shares between 24-09-2015 to 29-09-2015	(1,499)	0.00	2	0.00
6.	Biren Gabhawala - Non Executive Independent Director	4,000	0.01	-	-
	Allotment of ESOP shares on May 12, 2015	1,500	0.00	-	-
	Sale of Shares between 01-12-2015 to 31-12-2015	(565)	0.00	-	-
	Allotment of Bonus Shares on 21-12-2015	1,645	0.00	6580	0.02
7.	Vikram Limaye - Non Executive Independent Director	-	-	-	-
	Allotment of ESOP shares on 01-07-2015	5,250	0.02	-	-
	Sale of Shares on 13-08-2015	(5,250)	0.02	-	-
	Allotment of ESOP shares on 08-03-2016	4,667	0.01	-	-
	Sale of Shares on 22-03-2016	(4,667)	0.01	-	-
8.	Alok Goyal - Non Executive Independent Director	-	-	-	-
	Allotment of ESOP shares on 12-10-2015	3,000	0.01	-	-
	Sale of shares between 05-11-2015 to 09-11-2015	(1,171)	0.00	-	-
	Sale of shares on 04-12-2015	(1,000)	0.00	-	-
	Allotment of Bonus Shares on 21-12-2015	276	0.00	-	-
	Sale of shares on 23-12-2015	(829)	0.00	276	0.00
9.	Deepa Kapoor - Non Executive Independent Director	-	-	-	-

vii) Shareholding Pattern of Directors and Key Managerial Personnel

Sr. No. and Details For Each of the Directors and KMP including Benpos date	Shareholding at the beginning of the year i.e. April 1, 2015		Cumulative Shareholding at the end of the year i.e. March 31, 2016	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
10. Rohitash Gupta - Chief Financial Officer (KMP)	70,000	0.23	-	-
Allotment of ESOP shares on 12-05-2015	3,334	0.01	-	-
Allotment of Bonus Shares on 21-12-2015	24,444	0.06	-	-
Sale of shares on 02-02-2016	(7,778)	0.02	-	-
Sale of shares on 10-02-2016	(1,184)	0.00	-	-
Sale of shares between 22-02-2016 to 23-02-2016	(1,618)	0.00	-	-
Sale of shares on 01-03-2016	(10,283)	0.03	-	-
Sale of shares between 02-03-2016 to 04-03-2016	(10,929)	0.03	65,986	0.16
11. Gaurav Tongia - Company Secretary (KMP)	600	0.00	-	-
Allotment of ESOP shares on 01-07-2015	250	0.00	-	-
Allotment of Bonus Shares on 21-12-2015	283	0.00	-	-
Sale of shares between 11-02-2016 to 02-03-2016	(761)	0.00	-	-
Sale of shares on 22-03-2016	(89)	0.00	283	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			NIL	
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
(i) Principal Amount				
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the FY 2015-16:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		PD Mundhra		
1	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	22.30 million		22.30 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)	22.30 million		22.30 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	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)	1.52	1.28	9.65	1.21	2.94	-	16.8
3.	Sweat Equity	-	-	-	-	-	-	-
4	Commission							
	a. as % of profit	1.50	1.50	1.50	1.50	1.50	1.50	9.00
	b. Others, specify (Rs. in million)	-	-	-	-	-	-	-
5.	Others- Sitting Fees	0.16	0.24	0.18	0.24	0.16	0.20	1.18
	Total (Rs. in million)	1.66	1.74	1.68	1.74	1.66	1.70	10.18

*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)	9.33	2.99	12.32
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)	2.71	0.21	2.92
3.	Sweat Equity	-	-	-
4.	Commission			
a.	as % of profit			
b.	Others, specify (Rs. in million)	-	-	-
5.	Others, please specify	-	-	-
	Total (Rs. in million)	12.04	3.20	15.24

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			Not Applicable	
Punishment				
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, 2016

**(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 of 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 authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016, 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, 2016 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; There was no External Commercial Borrowing;
- (v) 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 as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time; and
 - e) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer

Agents) Regulation, 1993 regarding the Companies Act and dealing with client;

(vi) Other laws applicable specifically to the Company:-

- a) The Information Technology Act, 2008;
- b) The Special Economic Zone Act, 2005;
- c) Software Technology Parks of India rules and regulations;
- d) The Trade Mark Act, 1999; and
- e) Copyright Act, 1957.

We have also examined compliance with the applicable clauses of:

1. The Listing Agreements entered into by the Company with Bombay Stock Exchange (BSE Limited) and National Stock Exchange of India (NSE Limited).
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);
3. The Secretarial Standards issued by The Institute of Company Secretaries of India (SS-1 & SS-2).
4. 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 1.

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, the Board of Directors of the Company has approved the amalgamation of Agilyst Consulting Private Limited with the Company.

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

Place: Mumbai
 Date: May 17, 2016

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. Contract Labour (R&A) Act, 1970
5. Employment Exchanges (Compulsory Notification of vacancies) Act, 1959
6. Employees State Insurance Act, 1948
7. Equal Remuneration Act, 1976
8. Minimum Wages Act, 1948
9. Payment of Bonus Act, 1965
10. Shop and Establishment Act, 1948
11. Income Tax Act, 1961
12. 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. Necessary Technology advancement done in the old Precision Air-conditioning System. The estimated cost for the same was about Rs. 3.8 million.

- f. Installation of Auto power factor correction (APFC) panels result in quality power and reduction in power consumption. The estimated cost for the same was about Rs. 1.53 million.

By Application of these energy savings initiatives power consumption reduced significantly in FY 15-16. Unit / person / year reduced to 1311 units from last FY of 1456 units.

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)

	2015-16	2014-15
Total Foreign Exchange Earnings	10,971.02	8,159.91
Foreign Exchange Used	1,851.58	1,742.48

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 20, 2016

V. K. Mundhra
Chairman

Annexure-V

Salary details of employee(s) employed during the FY 2015-16 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 (appx.)	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	300.0	On Rolls	P.G.D.B.M	18	23-Nov-09	43	WNS Global Services	0.03	N.A.
Hoshi Mistry	Principal	158.2	On Rolls	M.Tech	16	8-Apr-02	44	Emageware	0.06	N.A.
Rohitash Gupta	CFD	121.1	On Rolls	M.B.A	19	4-Nov-03	42	SISL	0.16	N.A.
Manoj Shelar	Associate Principal	117.6	On Rolls	P.G.D.M	17	12-Oct-09	41	HSBC	0.01	N.A.
Srinivasan Nadadhur	Associate Principal	109.3	On Rolls	P.G.D.M	17	1-Dec-09	40	iNautix Technologies	0.04	N.A.
Abhinav Kumar	Associate Principal	106.8	On Rolls	M.B.A	14	3-Jul-09	36	iNautix Technologies -BNY Mellon	0.01	N.A.
Subhodip Basu	Associate Principal	106.7	On Rolls	P.G.D.M	16	16-Mar-09	41	HP India Sales Pvt. Ltd.	0.00	N.A.
Sanjay Kukreja	Principal	95.1	On Rolls	P.G.D.M	19	5-Sep-11	43	Accenture	0.00	N.A.
Devidas Iyer	Associate Principal	89.2	On Rolls	P.G.D.M	39	16-Apr-12	62	TCS eServe	0.01	N.A.
Jagjit Singh	Associate Principal	82.5	On Rolls	B.E	17	19-Jul-10	39	Hewlett Packard	0.00	N.A.
Suraj Gujran	Associate Principal	80.5	On Rolls	C.A	21	16-Jul-07	44	Softdel Ltd.	0.05	N.A.
Prashant Chaddah	Associate Principal	78.7	On Rolls	M.B.A	13	13-Aug-08	36	Motilal Oswal	0.00	N.A.
Amit Bakshi	Principal	76.3	On Rolls	M.B.A	35	24-Nov-11	58	Tech Mahindra Ltd.	0.00	N.A.
Shyam Iyengar	Associate Principal	72.8	On Rolls	P.G.D.B.M	15	28-Mar-11	39	Cognizant	0.00	N.A.
Debobroto Ghosh	Associate Principal	67.7	On Rolls	M.M.M	18	24-Sep-10	44	Accenture Services Ltd.	0.00	N.A.
Chitra Padmanabhan	Principal	66.4	On Rolls	M.B.A	25	5-Sep-12	46	Future Group	0.00	N.A.
Ankur Makhija	Program Manager	65.3	On Rolls	B.E	15	12-Aug-04	37	Third eye	0.01	N.A.
Pravin Borade	Associate Principal	64.9	On Rolls	M.S	16	22-Feb-10	39	Persistent Systems	0.02	N.A.
Arun Shourie	Associate Principal	63.8	On Rolls	B.E	10	10-Nov-08	36	WNS Global Services	0.00	N.A.
Sachin Vaidya	Associate Principal	61.9	On Rolls	Diploma in Electronics	22	4-May-09	42	Inventurous Knowledge Solutions	0.00	N.A.
Ashok M Yadav	Associate Principal	60	On Rolls	I.C.W.A	11	1-Oct-13	44	State Street Syntel Sourcing Pvt. Ltd.	0.00	N.A.
Gurvinder Lamba	Associate Principal	53.8	Employed for part of the year	M.B.A	17	22-May-09	42	TCS	0.02	N.A.
Suraj Narain	Program Manager	46.3	Employed for part of the year	M.B.A	15	01-Nov-11	40	Syntel Inc	0.01	N.A.
Neville Bharucha	Associate Principal	39.4	Employed for part of the year	M.B.A	21	01-Jan-04	44	McDonalds	0.06	N.A.

Management Discussion And Analysis

I. INDUSTRY OVERVIEW

During FY 2015-16, the Indian IT-BPM sector is estimated to have garnered revenues of USD 143 billion, (excluding e-commerce) compared to USD 132 billion in the previous year, as per the 2016 Strategic Review put out by the National Association of Software and Services Companies (NASSCOM). Exports were pegged at \$ 108 billion, a rise of over 10%. Over the course of the year, the industry in India added around 200,000 people.

Given that overall technology spending around the world remained flat compared to the previous year, India actually increased its share of the global sourcing pie to 56%. This is an important positive. From a geographical perspective, the US and UK were the main customer markets with a combined share of nearly 80%. Nevertheless, there is also growing demand from the Asia Pacific region, Latin America and Middle East & Africa, and they present interesting opportunities for the future.

The shift towards a digital future is inevitable. NASSCOM forecasts that 80% of incremental expenditure over the next decade could be driven by digital technologies such as platforms, cloud-based apps, big data analytics, mobile systems, social media and cybersecurity. There will also be huge demand for services needed to integrate these technologies with remaining legacy core technologies.

NASSCOM also forecast that digital technologies will have a 23% share of the IT-BPM sector by 2020, and 38% by 2025.

As an IT-BPM nation, India offers a significant value proposition because it is mostly digital ready: it has proven excellence in business delivery; it can tap into a base of close to 4 million employees and is home to the world's fastest growing digital hub, with a pool of digitally skilled employees estimated at over 250,000

with expertise across analytics, mobility and social & cloud based applications.

II. SEGMENT WISE PERFORMANCE

Financial and Banking services

Like others in the industry, eClerx experienced decelerating growth in this area, prompted by a decline in global derivative trade volumes. Another trend visible this year was the renewed focus on automation and efficiency, especially the use of new technologies like robotics process automation. This technology allows configuring of computer software or a "robot" to capture and interpret existing applications for processing a transaction, manipulating data, triggering responses and communicating with other digital systems. We are working closely with clients to broaden our service capabilities across new functions, and embed some of these new technologies in our legacy services to remain the most efficient provider.

Digital marketing

It was a stronger year for our digital business – we continued to grow our relationships with emerging clients at a rapid rate, while also piloting select new engagements with our larger strategic clients. Analytics services and digital production related services were two areas where we found the most traction with our clients. The acquisition of CLX Europe during the fiscal year has helped us expand our service offering to encompass a larger part of the digital lifecycle of our clients. With their strength in creating and managing content, we can now add upstream services to our existing offering of content publishing and ecommerce production.

All marketing, process and people-related integration with CLX was completed during the year in review and this has started bearing fruit: CLX has met most of the internal goals that were set for FY 2015-16. We also continue to invest heavily for the future - for example,

CLX has invested considerable effort in building the next generation of its proprietary digital asset management tool (FLUiiD4) - since integration, many more existing clients have been migrated to this platform.

Cable and Telecom

Our cable business was our fastest growing business during FY 2015-16. With a portfolio of industry leading cable clients, this business has more than trebled since our acquisition of Agilyst in 2012.

Customers have found great value in our unique end-to-end value proposition. This includes use of predictive analysis, operational audits, and providing incisive feedback on how to make technicians more effective while improving the overall experience of cable subscribers.

Across each of these three main business areas, eClerx sees significant opportunities for growth in the future. Of course, we will also need to evolve our service offerings substantially to capture this potential, and are working hard towards this.

Infrastructure

In India, eClerx operates out of three cities, Mumbai and Pune in western India, and Chandigarh in north India. Mumbai has the largest office space, followed by Pune and Chandigarh. During the year in review, capacities were augmented in each of the three cities, and at the end of March 2016, the Company's India facilities had a total capacity of more than 8500 seats and the centers are functioning at approximately 85% capacity.

eClerx also has four sales offices across three countries. The acquisition of CLX now provides delivery centers both in Europe and Asia, and clients across Italy, Germany and UK. CLX has an employee headcount of approximately 300 employees (110-140 each in Thailand and Italy and around 20 each in Germany and UK).

Harnessing Talent

We are focused on building organisational capabilities to ensure that we can exploit the potential of relevant technology-driven disruptions for our client markets. Specifically, we are putting emphasis on developing people-related capabilities in areas such as robotics process automation and analytics.

We already have a number of people in our technology team who are quite skilled in the development, training and usage of "bots". They are helping us drive adoption in select client processes to provide the simplification and efficiency benefits that this new technology offers.

Talent management in critical areas such as analytics is clearly a key focus area—we are working on building top tier talent both in the more quantitative skills related to data manipulation and modeling, as well as the more contextual skills around business insights and predictive analytics.

Our regular human resources programs continue as before focusing on acquiring the best talent for our organization, and then providing the training support to impart the necessary skills. We do this using a combination of internal programs as well as by partnering with a number of specialist partners and institutions who assist us in talent upgradation and cross-skilling.

III. OUTLOOK

The outlook for the client business environment remains largely similar to FY 2015-16. eClerx does not expect any dramatic alterations to the demand environment during FY 2016-17.

The medium to long term presents both challenges and opportunities. As a rapidly growing player in the IT-BPM arena, we are building competencies and making investments across five broad areas to sustain our growth journey.

First, we are developing strong value propositions along new service lines. Second, wherever possible and necessary, we are reinventing and retuning conventional service lines. Third, we are allocating more funding towards game-changing and disruptive technologies. Fourth, we are recalibrating our staffing and re-training needs. This is especially important in an environment where revenue growth is getting decoupled from headcount, and it is becoming possible for smaller and smarter teams to bring in greater revenue. Finally, we are continuously scanning the globe for partnerships and alliances with specialists, niche players and platforms to develop an ecosystem for digital solutions.

IV. OPPORTUNITIES, THREATS, 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 FY 2015-16 from US and Western Europe. Challenging business and 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.
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Concentration risk	The Company derived 57% of its total revenues during FY 2015-16 from its top five clients. While the concentration risk has reduced compared to the last financial year, it is still high. 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.
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Currency risk	We derived around 74% of our revenues in US Dollars, 18% in Euros, and 8% in Sterling and other currencies. Adverse movements in foreign exchange rates on account of global, regional or local events could have a negative impact on our financial performance.
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Competition risk	New competitors may enter the markets the Company operates in. Likewise, 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.
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Integration risks	The Company's recent or future acquisitions may pose 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.
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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 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.

Technological risk With advancement of technology, artificial intelligence and robotics, the work volume for people-skill driven services might decrease or reshape significantly, and the company might not be able to transition to newer client demands quickly.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of Internal Controls commensurate with the nature of business and size of its operations. 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 has a strong and independent internal audit function which carries out regular internal audits to test the design, operations, adequacy and effectiveness of its internal control processes and also to suggest improvements and upgrades to the management.

The Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of the recommendations.

VI. CONSOLIDATED FINANCIAL 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 Group's consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standard 21 on 'Consolidated Financial Statements'.

The Group has acquired the entire shareholding of CLX Europe S.P.A a joint stock company based in Italy effective April 22, 2015. Accordingly, the consolidated financial results for the year ended March 31, 2016 also include the results of CLX Europe S.P.A for the period post acquisition and hence results are not comparative to that extent.

The following discussion and analysis should be read together with the consolidated Indian GAAP financial statements of the Company for the financial year ended March 31, 2016.

I. RESULTS OF OPERATIONS

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

(Rupees in million)

Particulars	2015-16	2014-15
Revenue from Operations	13,143.16	9,421.20
Other Income (net)	410.55	324.58
Total Revenue	13,553.71	9,745.78
Operating Expenses	8,281.96	6,266.22
EBITDA	5,271.75	3,479.56
Finance Costs	0.41	-
Depreciation and goodwill amortization	507.04	500.22
Profit before Tax	4,764.30	2,979.34
Taxes	1,131.84	682.58
Minority Interest	2.49	-
Net Profit after Tax	3,629.97	2,296.76

a. Income

Income from operations

Income from operations increased to Rs.13,143.16 million in the year under review from Rs.9,421.20 million in the previous year registering a growth of 39.51%.

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. 410.55 million in the year under review from Rs. 324.58 million in the previous year.

Foreign exchange gains increased to Rs. 311.15 million in the year under review from Rs. 115.45 million in the previous year, these include

transaction and translation gain of Rs. 322.66 million in current year and Rs. 2.66 million in previous year and forward contract loss of Rs. 11.51 million against gain of Rs. 112.79 million.

Income from investments decreased to Rs. 87.00 million in the year under review from Rs. 208.08 million in the previous year, primarily due to lower investible surplus available post acquisition of CLX Europe S.P.A and reduction in yield.

b. Expenditure

Operating expenses comprises of employee costs and other general and administrative expenses. The total operating expenses increased to Rs. 8,281.96 million in the year under review from Rs. 6,266.22 million in the previous year.

Employee costs increased to Rs. 5,682.05 million in the year under review from Rs. 4,398.09 million in the previous year, primarily due to annual increment, an increase in the headcount and also currency impact.

Other expenses increased to Rs. 2,599.91 million in the year under review from Rs. 1,868.13 million in the previous year. The increase was primarily due to:

- Increase in cost of technical sub-contractors by Rs.377.90 million due to costs from newly acquired subsidiary CLX Europe S.P.A and more short term consulting projects.
- Increase in rent by Rs. 110.23 million due to additional facilities taken in Pune and also new facilities taken in previous year becoming fully operational.
- Increase in communication and electrical consumables by Rs. 92.24 million primarily due to costs from newly acquired subsidiary

CLX Europe S.P.A and additional facilities taken in current year.

- Increase in travelling expenses by Rs. 74.34 million due to costs from newly acquired subsidiary CLX Europe S.P.A and also higher number of onsite visits to client locations.

c. Depreciation

Depreciation charge has increased marginally to Rs. 507.04 million in the year under review from Rs. 500.22 million.

d. Income Tax Expense

The Company's consolidated tax expense (including deferred taxes) increased to Rs. 1,131.84 million in the year under review from Rs. 682.58 million in the previous year which is proportionate to increase in profit before taxes.

The Company has deferred the recognition of cumulative MAT credit of Rs. 177.30 million as on March 31, 2016, 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.

II. FINANCIAL CONDITION

a. Share Capital

The Company has an authorised capital of Rs. 500 million as on March 31, 2016. The issued, subscribed and paid up capital was Rs. 407.89 million of equity shares of Rs. 10 each in the year under review as compared to Rs. 303.51 million in the previous year. The increase in paid up capital was due to issue of Bonus Equity Shares in the ratio of 1:3 and allotment of shares on exercise of employee stock options.

b. Reserves & Surplus

The reserves and surplus of the Company increased to Rs. 10,453.66 million in the year under review from Rs. 6,845.18 million in the previous year.

c. Short-term and Long-term Provisions

Short term provisions decreased to Rs. 818.48 million as on March 31, 2016 from Rs. 1,837.81 million as on March 31, 2015 primarily due to lower dividend provision in the year under review.

Long term provisions comprising of gratuity liabilities increased marginally from Rs. 110.49 million in previous year to Rs. 117.74 in the year under review.

d. Trade Payables

Trade payables, representing payables for purchase of goods and services increased to Rs. 138.33 million as on March 31, 2016 from Rs. 17.17 million as on March 31, 2015. The increase is primarily attributable to consolidation of newly acquired subsidiary CLX Europe S.P.A.

e. Other Current Liabilities

Other current liabilities, which include bills raised in advance on clients and statutory dues increased to Rs. 499.59 million as on March 31, 2016 from Rs. 353.98 million as on March 31, 2015. The increase is primarily attributable to consolidation of newly acquired subsidiary CLX Europe S.P.A.

f. Fixed Assets

The Gross block of fixed assets as on March 31, 2016 was Rs. 5,425.09 million (Rs.3,223.48 million as on March 31, 2015) and cumulative depreciation amounted to Rs. 2,027.32 million (Rs.1,553.16 million as on March 31, 2015). Gross additions to fixed assets made during the year were Rs.2,167.16 million (Rs.613.08 million

during the previous year) which includes Rs.128.49 million on addition of gross block of CLX Europe S.P.A and Rs.1,496.35 million on goodwill on acquisition of CLX Europe S.P.A.

g. Loans and Advances

- Long term loans and advances decreased to Rs. 560.21 million as on March 31, 2016 from Rs. 650.22 million as on March 31, 2015 due to receipt of pending service tax refunds.
- Short term loans and advances increased to Rs. 236.03 million as on March 31, 2016 from Rs. 151.16 million as on March 31, 2015. The increase is primarily attributable to consolidation of newly acquired subsidiary CLX Europe S.P.A.

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. 2,190.95 million during the year under review from Rs. 1,552.87 million in the previous year due to investment of surplus cash generated from operations.

i. Trade Receivables

Debtors increased to Rs. 1,860.95 million as on March 31, 2016 from Rs. 1,261.39 million as on March 31, 2015 primarily on account of increase in Sales. These debts are considered good and realisable and hence no provision for doubtful debts have been made. The need for provisions is

assessed based on various factors, including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors that could affect the customers ability to settle. The Company monitors trade receivables closely.

j. Cash and Bank Balance

The cash and bank balances increased to Rs. 3,268.35 million as on March 31, 2016 from Rs. 2,865.75 million as on March 31, 2015. Out of this, Rs. 1,128.80 million (Rs. 950.94 million as on March 31, 2015) was held in exchange earnings in foreign currency accounts in India and bank accounts of foreign subsidiaries. The remaining cash and bank balances mainly represent bank balances in current and fixed deposit accounts.

k. Other Current Assets

Other Current Assets decreased to Rs. 1,116.46 million as on March 31, 2016 from Rs. 1,358.72 million as on March 31, 2015. The decrease is primarily on account of reduction in the amount of mark to market on forward contracts for foreign exchange hedges and reduction in unbilled revenues.

l. Deferred Tax (net)

The Company has a net deferred tax liability of Rs. 6.86 million as at March 31, 2016 (net deferred tax asset Rs. 51.62 million as at March 31, 2015). The deferred tax assets pertained to Domestic Tariff Area units which have been reversed since the Company does not recognize MAT Credit due to lack of reasonable certainty of time frame by when the Company will pay normal income tax in the future periods.

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)	
	2015-16	2014-15
Net cash generated by/ (used in)		
Operating activities	4,253.96	2,431.70
Investing activities	(1,718.19)	(622.94)
Financing activities	(1,650.13)	(1,154.33)
Effect of Exchange fluctuation on Cash and Cash Equivalents	(26.69)	2.90
Net increase in cash and cash equivalents	858.95	657.33

a. Cash flows from operating activities

	(Rupees in million)	
	2015-16	2014-15
Profit before tax	4,764.30	2,979.34
Adjustments: depreciation and Amortisation	507.04	500.22
Other non-cash adjustments	23.51	(18.63)
Non operating income (net)	(87.43)	(207.18)
Effect of working capital changes	172.90	(146.16)
Cash generated from operations	5,380.32	3,107.59
Taxes paid	(1,126.36)	(675.89)
Net cash generated by operating activities	4,253.96	2,431.70

Cash generated from operations, post adjustments to profit before tax, has gone up from Rs. 3,107.59 million in previous year to Rs. 5,380.32 million in current year, registering a growth of 73.15% over the previous year.

b. Cash flows from investing activities

	(Rupees in million)	
	2015-16	2014-15
Fixed asset (net)	(520.72)	(609.56)
Other investments (net)	(175.94)	(210.57)
Payment for acquisition of stake in subsidiary, net of cash acquired	(1,139.64)	-
Non operating income (net)	118.11	197.19
Net cash used in investing activities	(1,718.19)	(622.94)

During the year Rs. 1,139.64 million was used towards acquisition of CLX Europe S.P.A which was financed by internal accruals.

During the year under review, Rs. 520.72 million was also used in purchase of fixed assets for set up of new facilities, incremental additions and replacements as compared to Rs. 609.56 million in the previous year.

c. Cash flows from financing activities

	(Rupees in million)	
	2015-16	2014-15
Proceeds from equity issued	143.82	75.78
Buyback of equity shares	-	10.13
Repayment of borrowing of subsidiary (net)	(511.25)	-
Finance cost	(0.41)	-
Dividend paid including dividend tax	(1,282.29)	(1,240.24)
Net cash used in financing activities	(1,650.13)	(1,154.33)

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

The Company repaid loan of Rs. 546.37 million on behalf of CLX Europe S.P.A. to their bankers on acquisition.

Dividend paid during the year under review comprise of dividend payout for previous year ended March 31, 2015 approved by the shareholders at the last Annual General Meeting.

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

The Company believes that employees are the core of our success. A fundamental tenet of our management philosophy is to invest in our employees, and enable them to develop new skills and capabilities which benefit them as well as the Company.

The organisation grew to 8,550 employees during FY 2015-16. To promote employee welfare, we organized camps for blood donation, organ donation, BMI and health check-up, eye check-up, and cord blood banking. These initiatives received an overwhelming response from employees across locations.

This year again, the Company participated in the Great Place to Work® survey, scoring significantly higher than last year. This affirms that we are heading in the right direction on our journey to become a work place where employees trust who they work for, take pride in what they do, and enjoy the company of the people they work with. In FY 2016-17, we will continue to look for ways to best harness the potential of our resources through various people management interventions.

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 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 stakeholder'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 and shareholders.

Your Company is compliant with all the mandatory provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). 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 consider other items on the Agenda as well as in the event of Annual General Meeting of the Company. In addition to the quarterly meetings, the Board convenes its meetings 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 and two are Non-Executive Directors and six are Non-

Executive Independent Directors, including one woman director. The Chairman of the Board is a Non-Executive Director. The above composition is consistent with the relevant provisions of Companies Act, 2013 and Listing Regulations.

b. Details of Directors:

Name	Category	Relationship inter-se
V. K. Mundhra	Non - Executive Director - Chairman	Father of PD Mundhra
PD Mundhra	Whole Time Director - Promoter	Son of V. K. Mundhra
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	-

c. Board Meetings and Procedures

The Board of Directors 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 regulations requirements, if any, and major developments during the period.

During the FY 2015-16, Eight (8) Board Meetings were held as follows:

May 4, 2015	May 25, 2015	Jul 17, 2015	Aug 10, 2015
Sep 11, 2015	Nov 2, 2015	Jan 29, 2016	Mar 17, 2016

The Company held its last Annual General Meeting on July 17, 2015.

d. Details of Directors' attendance and other particulars as on March 31, 2016 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	7	Yes	1	-	-
PD Mundhra	8	7	Yes	1	2	-
Anjan Malik	8	6	Yes	-	-	-
Pradeep Kapoor	8	5	No	-	2	1
Anish Ghoshal	8	8	Yes	0	2	-
Vikram Limaye	8	8	Yes	8	3	-
Biren Gabhawala	8	8	Yes	1	4	2
Alok Goyal	8	7	Yes	-	-	-
Deepa Kapoor	8	7	Yes	-	1	-

As required by Listing Regulations, the above mentioned disclosure includes memberships / chairmanship of Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted).

e. Brief Profile of Director(s)

The required resolution(s) 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 Regulation 17 of Listing Regulations

and other applicable provisions, the Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel ('the Code') of the Company.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2015-2016.

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 <http://www.eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf>.

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'), inter-alia, 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. 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 and at the time of leaving the organisation. The Code 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 ('the Code') has been adopted by the Company to comply with 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 and regulators in the institution of independent directors

Further pursuant to the provisions of Act and the Listing Regulations, Independent Directors of the Company should 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 7, 2015.

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, 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;
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 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence, 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 department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system 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 functioning of the Whistle Blower mechanism;
 19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. Review the following information:
 1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the Audit Committee), 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 chief 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. 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. 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 meets at least four times in a year with not more than one hundred and twenty days between two meetings.

The quorum for the meeting is 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.

d. 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	Non- Executive Independent Director - Chairman	7	7
Pradeep Kapoor	Non- Executive Independent Director - Member	7	5
Anish Ghoshal	Non- Executive Independent Director - Member	7	7
Deepa Kapoor*	Non- Executive Independent Director - Member	3	3
PD Mundhra	Executive Director - Member	7	6

*Appointed as Member of Audit Committee w.e.f. September 11, 2015

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

The Company has a well-qualified and independent Audit Committee consisting of four Non-Executive Independent Directors and an Executive Director, having adequate financial and accounting knowledge. The constitution, powers, duties and responsibilities of the Audit Committee are in line with provisions of Companies Act, 2013 and Listing Regulations.

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 along with Associate Principal(s) – 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 Fifteenth Annual General Meeting of the Company held on July 17, 2015.

During the FY 2015-16, Seven (7) Audit Committee Meetings were held:

May 4, 2015	May 25, 2015	Aug 7, 2015
Sep 11, 2015	Oct 29, 2015	Jan 28, 2016
Mar 17, 2016		

IV. NOMINATION AND REMUNERATION COMMITTEE

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

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 and determine whether to extend or continue the term of appointment of the independent director on the basis of the report of the performance evaluation of independent director;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
4. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
5. Oversee the implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
6. Decide/approve details of fixed component and performance linked incentives along with the performance criteria.

7. Devising a policy on Board diversity;
8. Formulation of criteria for evaluation of Independent Directors and the Board;
9. The Nomination and Remuneration Committee shall, while formulating the Remuneration policy ensure that:
 - 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	Non-Executive Independent Director- Chairman	4	4
Alok Goyal	Non-Executive Independent Director-Member	4	4
Anjan Malik	Non-Executive Director-Member	4	3
V.K. Mundhra	Non-Executive Director-Member	4	3

During the year under review, Four (4) Nomination and Remuneration Committee Meetings were held:

May 25, 2015	Aug 10, 2015
Nov 2, 2015	Mar 17, 2016

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

c. Performance evaluation criteria for independent directors

The details of performance evaluation criteria for independent directors have been provided in the Directors' report.

d. Nomination & Remuneration Policy

In terms of Section 178 of the Companies Act, 2013 and the Listing Regulations, 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.

e. Details of remuneration paid/payable to Directors for FY 2015-16 are as follows:

(Rupees in million)

Name	Salary & Perquisites including ESOP gain, if any	Commission#	Sitting Fees	Total
V. K. Mundhra	-	-	-	-
PD Mundhra	22.30	-	-	-
Anjan Malik	-	-	-	-
Pradeep Kapoor	-	1.50	0.16	1.66
Anish Ghoshal	-	1.50	0.24	1.74
Vikram Limaye	-	1.50	0.18	1.68
Biren Gabhawala	-	1.50	0.24	1.74
Alok Goyal	-	1.50	0.16	1.66
Deepa Kapoor	-	1.50	0.20	1.70

Commission for FY 2015-16 will be paid in May/June, 2016

Note – Other than the above details, there are no benefits or elements of remuneration being paid to the directors.

(i) 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.

(ii) 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 18 Lacs p.a.

The details of the commission paid to the Non-Executive Independent Director for FY 2015-16 is as above.

(iii) Criteria of making payments to Non-Executive Directors

Shareholders of the Company vide Special Resolution passed at Annual General Meeting held on July 17, 2015 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 FY, as calculated in accordance with the provisions of the Companies Act 2013, provided that such amount shall not exceed Rs. 18 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 August 10, 2015 considered and accordingly recommended the payment of remuneration by way of commission of Rs.15 Lacs p.a. to each of Non-Executive Independent Directors of the Company for FY 2015-16, which was approved by the Board at its Meeting held on the same day.

(iv) 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 20, 2016 deliberated upon the same and approved annual performance bonus for FY 2015-16 as Rs. 11.73 million 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 FY 2016-17 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 20, 2016, accepted his proposal. The Board however decided to fix the entitlement for annual performance bonus as an amount not exceeding Rs. 13.80 million, which will be merit based and take into account the Company's performance. PD Mundhra has not taken any increment in the monthly salary per-se, since FY 2011-12.

PD Mundhra holds 10,223,816 shares of the company as on March 31, 2016.

f. Details of shareholding of Non-Executive Directors as on March 31, 2016

Sr. No.	Name of the Director	Shareholding (No. of Shares)
1	V. K. Mundhra	43,049
2	Anjan Malik	10,229,666
3	Pradeep Kapoor	20,181
4	Anish Ghoshal	2
5	Vikram Limaye	Nil
6	Biren Gabhawala	6,580
7	Alok Goyal	276
8	Deepa Kapoor	Nil

g. Details of options held and exercised by Non-Executive Independent Directors as at March 31, 2016 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	
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	
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	5,250	
	6,667*		1-Apr-2014	2,667	
	5,000*		ESOP Scheme 2011	1-Apr-2015	
Biren Gabhawala	8,000*	ESOP Scheme 2008	1-Apr-2014	4,000	NA
	4,500*	ESOP Scheme 2011	1-Apr-2015	1,500	
Alok Goyal	6,000*	ESOP Scheme 2011	1-Apr-2015	3,000	NA

*The above options were linked with the performance criteria and the actual number of options which vested were considerably lower. There will not be any further vesting of options to Directors of the Company.

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 FY 2013-14, the Company has stopped granting ESOPs to the Independent Directors of the Company.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee facilitates effective redressal of Investor Grievances and oversees share transfers.

a. Composition of the Committee and the details of its Meeting held and attended by its members:

Name	Category	Designation	Meetings held During the Tenure	Meetings Attended
Pradeep Kapoor	Non –Executive Independent Director	Chairman	4	3
Anish Ghoshal	Non –Executive Independent Director	Member	4	4
Biren Gabhawala	Non –Executive Independent Director	Member	4	4
PD Mundhra	Executive Director	Member	4	2

The Company Secretary of the Company acts as Compliance Officer 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. No.: +91 (22) 6614 8301

Fax No.: +91 (22) 6614 8655

E-mail: investor@eClerx.com

The constitution, duties and responsibilities of the Stakeholders' Relationship Committee are in line with the provisions of Companies Act, 2013 and Listing Regulations, and other applicable provisions.

During the financial year, Four (4) Stakeholders' Relationship Committee meetings were held;

May 25, 2015	Aug 10, 2015
Nov 2, 2015	Jan 28, 2016

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 27. All complaints of shareholders were satisfactorily resolved. There are no complaints pending as on March 31, 2016.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Companies Act, 2013

Composition of the Committee:

Name	Category	Meetings held During the Tenure	Meetings Attended
Deepa Kapoor	Non-Executive Independent Director - Chairperson	4	3
Anish Ghoshal	Non-Executive Independent Director - Member	4	4
Biren Gabhawala	Non-Executive Independent Director - Member	4	4
PD Mundhra	Executive Director - Member	4	2

and Companies (Corporate Social Responsibility) Rules, 2014, the Board has constituted Corporate Social Responsibility Committee ('CSR Committee') inter-alia to perform the following functions:

1. To suggest and/or formulate CSR Policy of the Company;
2. To recommend the amount of expenditure to be incurred on the CSR activities;
3. To ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company;
4. To ensure that Company spend at least 2% of average net profit of the Company in every financial year;
5. To monitor the CSR Policy of the Company from time to time;
6. To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company;
7. To do all such acts, deeds and things as deemed necessary to achieve overall CSR objectives of the Company and to ensure compliance with relevant regulations.

During the financial year, Four (4) CSR Committee meetings were held

May 25, 2015	Aug 10, 2015
Nov 2, 2015	Jan 28, 2016

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 Director's report, herein.

The constitution of the Corporate Social Responsibility Committee is in line with the provisions of Companies Act, 2013.

VII. INVESTMENT COMMITTEE

With a view to enable approval for investment(s) upto Rs. 20 Million (Rupees Twenty Million Only) under Company's employee initiatives towards talent and entrepreneurship encouragement, the Board of Directors of the Company constituted the Investment Committee at its meeting held on August 10, 2015. The investment made by the Company would entail inter- corporate investment(s), inter-alia, into the equity capital of investee company(ies).

During the financial year, 1 (one) meeting of the Investment Committee was held. Composition of the Committee and the details of its Meeting held and attended by its members are given below:

Name	Category	Meetings held During the Tenure	Meetings Attended
PD Mundhra	Executive Director - Member	1	1
Anjan Malik	Non -Executive Director - Member	1	1

VIII. 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
2014-15	July 17, 2015	10.15 a.m.	Walchand Hirachand Hall, Indian Merchants Chamber, LNM IMC Building, Churchgate, Mumbai-400 020.
2013-14	July 10, 2014	10.15 a.m.	
2012-13	August 22, 2013	10.15 a.m.	

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 institute Employee Stock Scheme/Plan 2015 for the Employees of the Company	
To institute Employee Stock Scheme/Plan 2015 for the Employees of subsidiary(ies) of the Company	
To approve incorporating Employee Welfare Trust(s) mechanism within Employee Stock Scheme/Plan 2015 to enable secondary market transactions.	July 17, 2015
To set up and authorise Employee Welfare Trust(s) for acquisition of shares of the Company through secondary market	
To approve payment of remuneration by way of commission to Non Executive Independent Directors of the Company.	
To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company in place of M/s. Walker, Chandiok & Co LLP (formerly: Walker, Chandiok & 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 (ESOP trust) to acquire the Securities of the Company from Secondary Market.	
Amendment(s) to Employee Stock Option Scheme 2008 (ESOP 2008) to incorporate the clause(s) pertaining to implication upon delayed/non-payment of exercise and /or tax money.	
Amendment(s) to Employee Stock Option Scheme 2011 (ESOP 2011) to incorporate upon delayed/non-payment of exercise and /or tax money.	August 22, 2013
Amendment(s) to Employee Stock Option Scheme 2011 (ESOP 2011) to increase number of options which can be granted under ESOP 2011 to the employees of the Company.	
Amendment(s) to Employee Stock Option Scheme 2011 (ESOP 2011) to increase number of options which can be granted under ESOP 2011 to the employees of the subsidiaries of the Company.	
Payment of remuneration by way of commission to Non-Executive Independent Directors of the Company	

c. Postal Ballot

During the year under review, no special resolution(s) were passed by way of Postal Ballot. However, during the year an ordinary resolution was passed by way of postal ballot for issue of bonus shares in the ratio of 1:3 i.e. one (1) fully paid up Bonus equity share of Rs. 10/- each for every three (3) equity shares of Rs. 10/- each held in the Company.

Ms. Savita Jyoti Associates, 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 Regulation 44 of the Listing Regulations 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 the 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 Regulations 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 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 the Section 188 of the Companies Act, 2013 and Listing Regulations, 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 http://www.eclerx.com/Corporate%20Governance/RPT%20Mat%20Subsd%20Policy%20V1%20PostBM_KM%20Changes%20Jan2016.pdf

IX. 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 elsewhere in 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 Listing Regulations 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>. The Directors affirm that no person who can avail the vigil mechanism has been denied access to the Chairman of Audit Committee.

- d. Your Company has complied with all the mandatory requirements of the Listing Regulations, as applicable. Though at present the Company does not comply with some of the discretionary requirements under Part E of Schedule II of Listing Regulations, the Company is committed towards complying with Listing Regulations as a whole and will take suitable measures as and when possible.
- e. During the FY 2015-16, requisite information as mentioned in Part A of Schedule II of Listing regulations 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. Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- h. Subsidiary Companies: The Audit Committee reviews the Financial Statements 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.

X. 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 minimize adversity. The policy aims to assist the Management in decision making processes that will minimize 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.

XI. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis Report for the FY 2015-16, as per the requirements of Listing Regulations, is given in a separate section forming part of the Annual Report.

XII. 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 Business Standard and Sakal. 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 web-site 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.

XIII. 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 regulations.

Date of AGM	: Wednesday, July 13, 2016	
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	Declaration of Results for the Quarter Ending on	Tentative Schedule
(2016-17)(Tentative)	: June 30, 2016	First week of August 2016
	September 30, 2016	First week of November 2016
	December 31, 2016	Last week of January 2017
	March 31, 2017	Last week of May 2017
	Seventeenth Annual General Meeting	Second fortnight of July 2017
Date of Book Closure	: Thursday, July 7, 2016 to Wednesday, July 13, 2016 (both days inclusive).	
Dividend Payment Date:	On/after Monday, July 18, 2016	

Shares held in physical form	: 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: <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 dematerialized form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.
Shares held in electronic form	: Shareholders holding shares in electronic form may please note that: <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.
Address of stock exchanges	: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai - 400051
Listing fees	: The Company has paid the Annual Listing fees to the BSE and NSE for the FY 2016-17.
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, Maharashtra, India.

Corporate office & Delivery Facilities (India)	<ul style="list-style-type: none"> • Indiabulls Finance Center, 1102, 11th Floor, Tower 2, 612/613, S.B. Road, 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, 5th, & 6th Floor, KRaheja 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 – 411 057 • 2nd Floor, Block 4, Quadron Business Park Limited, Rajiv Gandhi Infotech Park, Hinjewadi Phase II, Pune – 411 057 • Embassy Techzone, Plot no . 3, Rhine Building 1.5, A Wing, 2nd Floor, Rajiv Gandhi Info Park, Phase 2, Hinjewadi, Pune – 411 057 • 1st & 2nd Floor, Towers A & B, DLF Info City Developer, Rajiv Gandhi Chandigarh Technology Park, Kishangarh, Chandigarh – 160 101
Registrars and share transfer agents (R&T Agents)	<p>Karvy Computershare Private Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Andhra Pradesh, India. Ph.No.: +91 (40) 6716 1569 Fax No.: +91 (40) 2342 0814 E-mail: einward.ris@karvy.com</p>
Share transfer system :	<p>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 upon request 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 respect).</p>
Request for Dematerialisation of shares	<p>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 Committee for its noting.</p>
Liquidity of shares	<p>The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. Non-Promoters' holding is around 49.62%.</p>
Shares in dematerialised mode :	<p>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 40,788,619 Equity shares of the Company constituting over 99.99 % of the Company's equity shares were dematerialised as on March 31, 2016. A total of 67 Equity Shares are in physical mode as on March 31, 2016.</p>

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 as stipulated under Part E of Schedule V of Listing Regulations confirming compliance with the conditions of Corporate Governance, is annexed and forms part of the Report on Corporate Governance.
Unclaimed Dividend	: Section 205A & 205C of the Companies Act, 1956 (Section 124 of the Companies Act, 2013) and other applicable provisions require 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.
Foreign exchange risk or hedging activities	: Please refer Notes to Standalone Financial Statements – Note No. 31

Year	Nature of Dividend	Dividend Per Share (Rs.)	Date of Declaration	Due Date for Transfer	Amount* (Rs.)
2008-09	Final Dividend	10.00	August 26, 2009	September 25, 2016	207,110.00
2009-10	Interim Dividend	7.50	October 28, 2009	November 27, 2016	1,52,235.00
2009-10	Dividend	10.00	September 16, 2010	October 15, 2017	1,81,290.00
2010-11	Dividend	22.50	August 24, 2011	September 23, 2018	268,402.50
2011-12	Dividend	17.50	August 23, 2012	September 22, 2019	1,72,480.00
2012-13	Dividend	25.00	August 22, 2013	September 22, 2020	1,91,650.00
2013-14	Dividend	35.00	July 10, 2014	August 10, 2021	315,840.00
2014-15	Dividend	35.00	July 17, 2015	August 17, 2022	202370.00

*Amount unclaimed as on March 31, 2016

During the year, the Company had issued bonus shares in the ratio of 1:3 i.e. one (1) fully paid up Bonus equity share of Rs. 10/- each for every three (3) equity shares of Rs. 10/- each held in the Company. The Fractional shares of all eligible shareholders i.e. 4,384 shares arising out of bonus allotment were consolidated and sold off in the open market. The Company distributed net proceeds from the sale of such fractional shares in proportion to the entitlements among shareholders and following is the status of unclaimed balance appearing in the Bonus Fractional disbursement account of the Company:

Corresponding Financial Year	Nature	Balance in the Account (Rs.)*	Due Date for transfer to IEPF
2015-16	Disbursement of proceeds on sale of Fractional shares arising on account of bonus issue of shares in ratio of 1:3	2,522.70	Jan 4, 2023

*Amount unclaimed as on March 31, 2016

The shareholders who have not claimed their dividend or fractional entitlement on account of bonus shares are advised to do the same as once the respective account balance is transferred to IEPF, no claim shall lie in respect thereof with the Company. Pursuant to Section 205A & 205C of the Companies Act, 1956, (Section 124 of the Companies Act 2013) the Company is required to transfer all unclaimed dividend/amount to the Investor Education Protection Fund.

Transfer to Investor Education and Protection Fund made during the FY 2015-16:

Year	Nature of Dividend	Dividend Per Share (Rs.)	Amount (Rs.)	Date of transfer to IEPF
2007-08	Final Dividend	2.00	73,484.18	October 7, 2015
2008-09	Interim Dividend	2.50	87,933.22	December 5, 2015

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 Regulation 39 read with Part F of Schedule V of Listing Regulations

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on April 1, 2015	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, 2016	17	670

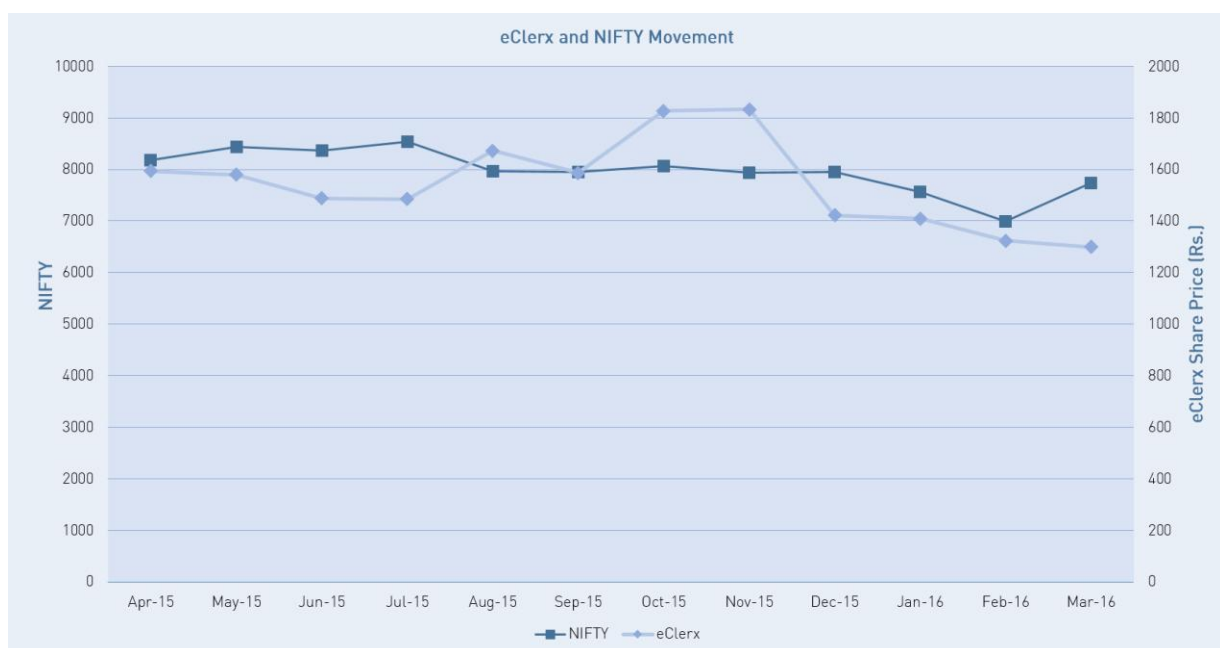
As required under the said Regulations of the Listing Regulations, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Market Price Data

Market Price Data (in Rs. per share)

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Apr-15	1,700.00	1,466.50	1,697.00	1,465.00
May-15	1,634.25	1,500.00	1,635.00	1,506.05
Jun-15	1,619.50	1,477.00	1,625.00	1,470.40
Jul-15	1,557.90	1,405.80	1,560.50	1,402.00
Aug-15	1,800.00	1,440.00	1,806.95	1,457.90
Sep-15	1,825.70	1,560.00	1,828.50	1,550.00
Oct-15	1,949.15	1,560.35	1,989.00	1,575.10
Nov-15	1,930.00	1,690.00	1,930.00	1,705.00
Dec-15	1,895.90	1,385.00	1,894.00	1,365.10
Jan-16	1,444.55	1,215.65	1,441.05	1,220.05
Feb-16	1,410.00	1,255.00	1,419.00	1,105.30
Mar-16	1,364.00	1,190.00	1,360.00	1,190.00

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



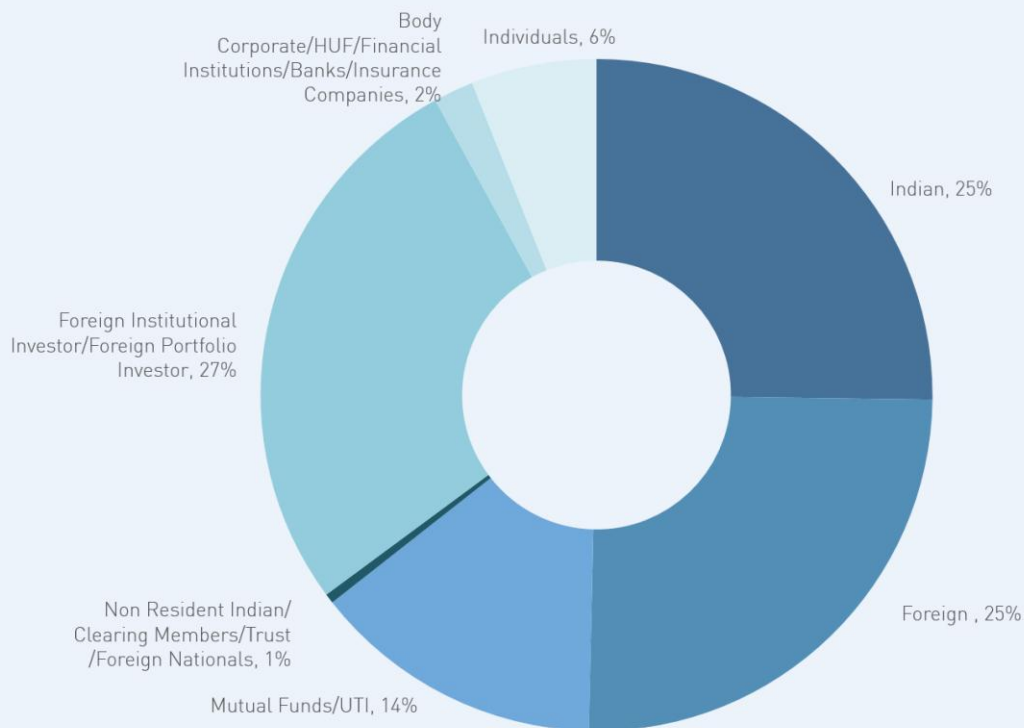
Distribution of Shareholding as at March 31, 2016

Category	Number of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
From - To				
1 - 5000	16,681	98.77	1,491,126	3.66
5001 - 10000	75	0.44	525,768	1.29
10001 - 20000	47	0.28	708,702	1.74
20001 - 30000	11	0.07	266,462	0.65
30001 - 40000	9	0.05	305,474	0.75
40001 - 50000	12	0.07	526,304	1.29
50001 - 100000	16	0.09	1,150,885	2.82
100001 & Above	37	0.22	35,813,965	87.80
Total	16,888	100.00	40,788,686	100.00

The shareholding pattern of the Company as on March 31, 2016 was as under:

Sr. No.	Category of Shareholder	No. of Shares	% Shareholding
(A)	Shareholding of Promoter and Promoter Group		
1	Indian	10,285,914	25.22
2	Foreign	10,262,243	25.16
	Total Promoters Shareholding (A)	20,548,157	50.38
(B)	Public Shareholding		
1	Institutions		
(a)	Mutual Funds/UTI	5,727,127	14.04
(b)	Financial Institutions/Banks/Insurance Companies	11,290	0.03
(c)	Foreign Institutional Investor/Foreign Portfolio Investor	11,076,539	27.16
2	Non-Institutional Investor		
(a)	Body Corporate//HUF/Trust	773,904	1.90
(b)	Individuals	2,462,912	6.04
3	Others		
(a)	Non Resident Indian	113,063	0.28
(b)	Clearing Members	31,981	0.08
(c)	Trust	2,216	0.01
(d)	Foreign Nationals	41,497	0.10
4	Qualified Foreign Investors		
	Total Public Shareholding (B)	20,240,529	49.62
	Total (A)+(B)	40,788,686	100.00

The shareholding pattern of the Company as on March 31, 2016 was as under:



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,
 Maharashtra, India.
 Ph. No.: 022-6614 8301
 E-mail: investor@eClerx.com

Registrar & Transfer Agent:

Karvy Computershare Private Ltd
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad – 500 032
 Andhra Pradesh, India.
 Ph. No.: +91 (40) 67161569
 Fax No.: +91 (40) 2342 0814
 E-mail: einward.ris@karvy.com

Code of Conduct 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 Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016.

For eClerx Services Limited

PD Mundhra
Executive Director

Place: Mumbai
Date: May 20, 2016

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification, issued pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors

eClerx Services Limited

Dear Sirs / Madam,

We hereby certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 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 we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
 - 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

Place: Mumbai
Date: May 20, 2016

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 ("the Company") for the year ended March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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 SR Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place: Mumbai

Date: May 20, 2016

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 comprise the Balance Sheet as at March 31, 2016, 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. 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, 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 by law 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
 - (g) 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/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature : Mumbai

Date: May 20, 2016

Annexure 1 referred to in paragraph [1] under Report on Legal and Other 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.
 - (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Companies (Auditor's report) Order, 2016 ("the Order") are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
 - (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) 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, provisions of section 186 of the Act in respect of investments and guarantees made have been complied with by the Company. In our opinion and according to the information and explanations given to us, there are no loans and securities granted in respect of which provisions of Section 185 and Section 186 of the Act are applicable and hence, not commented upon.
 - (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 Act, for the products/services of the Company.
 - (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues of excise duty.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, 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, service tax, duty of customs, duty of excise, 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	17,171,150	Assessment Year 2011-12	Commissioner of Income tax (Appeal)

(viii) The Company did not have any dues to any financial institution, bank or debenture holder during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loans, hence reporting under clause (ix) is not applicable to the Company and not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable

accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature : Mumbai

Date: May 20, 2016

Annexure 2 to the Independent Auditor's Report
of even date on the standalone financial statements of eClerx Services Limited
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of eClerx Services Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of

internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over

financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature : Mumbai

Date: May 20, 2016

Balance Sheet

as at March 31, 2016

(Rupees in million)

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	4	407.89	303.51
Reserves and Surplus	5	9,122.92	6,162.44
		9,530.81	6,465.95
Share Application Money Pending Allotment	21	1.49	1.35
Non Current Liabilities			
Long-term Provisions	6	117.74	95.21
Other Non Current Liabilities	7	114.61	99.89
		232.35	195.10
Current Liabilities			
Trade Payables	8	291.74	223.08
Other Current Liabilities	9	272.66	259.25
Short-term Provisions	10	455.43	1,575.88
		1,019.83	2,058.21
TOTAL		10,784.48	8,720.61
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	11	659.61	555.97
Intangible Assets	11	56.31	96.60
Capital work in Progress		-	11.49
Non-current Investments	12	2,577.86	999.09
Deferred Tax Assets	23	-	47.62
Loans and Advances	13	524.87	633.40
		3,818.65	2,344.17
Current Assets			
Current Investments	12	1,999.28	1,475.27
Trade Receivables	14	1,485.33	1,140.26
Cash and Bank Balances	15	2,338.28	2,378.70
Loans and Advances	13	63.45	94.34
Other Current Assets	16	1,079.49	1,287.87
		6,965.83	6,376.44
TOTAL		10,784.48	8,720.61
Summary of Significant accounting policies	3		
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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Amit Majmudar**

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

V.K. Mundhra
Chairman

PD 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, 2016

(Rupees in million)

	Note	Year ended March 31, 2016	Year ended March 31, 2015
INCOME			
Revenue from Operations		11,057.08	8,183.35
Other Income	17	366.54	319.19
Total Revenue		11,423.62	8,502.54
EXPENDITURE			
Employee Benefits Expense	18	3,806.22	2,822.00
Other Expenses	19	3,078.79	2,694.53
Depreciation and Amortisation Expense	11	374.02	285.67
		7,259.03	5,802.20
Profit Before Exceptional Items and Taxes		4,164.59	2,700.34
Exceptional Items	37	259.14	-
Profit Before Taxes		3,905.45	2,700.34
Tax Expense			
- Current Tax		881.39	556.50
- Deferred Tax		47.62	(13.82)
Total Tax Expense		929.01	542.68
Profit after tax		2,976.44	2,157.66
Earnings per Equity Share	29		
Earning per Equity Share (in Rs.) [nominal value of share Rs. 10 (P.Y. Rs.10)]			
-Basic		73.21	53.42
-Diluted		71.63	52.23
Summary of Significant accounting policies	3		

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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

V.K. Mundhra

Chairman

PD Mundhra

Executive Director

Anjan Malik

Director

Biren Gabhawala

Director

Rohitash Gupta

Chief Financial Officer

Gaurav Tongia

Company Secretary

Cash Flow Statement

for the year ended March 31, 2016

	(Rupees in million)	
	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	3,905.45	2,700.34
Adjustments for :		
Depreciation/Amortisation	374.02	285.67
Stock Options Charge(net)	(3.40)	(0.41)
(Profit) on Sale of Investments	(7.80)	(0.17)
Loss on Sale of assets	6.74	1.05
Unrealised Foreign Exchange Loss/(Gain)	27.84	(22.00)
Bad Debts Written off	0.04	3.08
Provision for Diminution in Value of Long Term Investments	259.14	-
Dividend Income	(43.24)	(51.80)
Interest Income	(34.37)	(151.10)
Operating Profit Before working Capital Changes	4,484.42	2,764.66
Adjustments for :		
(Increase) in Trade Receivables	(373.35)	(302.06)
Increase in Long-term Provisions	22.53	36.01
(Increase)/Decrease in Non Current Loans and Advances	108.36	(24.47)
(Increase)/Decrease in Current Loans and Advances	30.89	(67.33)
(Increase)/Decrease in Other Current Assets	172.19	(111.81)
Increase in Trade Payables	69.06	72.57
Increase in Other Current Liabilities	13.40	84.45
Increase in Other Non Current Liabilities	14.72	8.45
Increase in Short Term Provisions	152.01	68.96
Cash Generated by Operating Activities	4,694.23	2,529.43
Income Taxes paid (net of refunds)	(918.20)	(538.34)
Net Cash generated by Operating Activities	3,776.03	1,991.09
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Current Investments	7,891.60	2,604.88
Purchase of Current Investments	(8,407.80)	(2,958.50)
Purchase of Non Current Investments	(2.40)	-
Investment in bank deposits(having original maturity of more than three months)	(521.43)	(2,140.57)
Redemption/maturity of bank deposits(having original maturity of more than three months)	980.11	2,327.92
Investments in Subsidiaries	(1,835.51)	-
Sale of Fixed Assets	3.95	4.14
Purchase of Fixed Assets (including Capital work in progress)	(436.56)	(515.36)
Interest received	65.50	140.24
Dividend received	43.24	51.80
Net Cash used in Investing Activities	(2,219.30)	(485.45)

Cash Flow Statement

for the year ended March 31, 2016

	(Rupees in million)	
	Year ended March 31, 2016	Year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity issued	142.33	74.43
Proceeds from equity issued pending allotment	1.49	1.35
(Deposit)/Proceeds in/from Escrow account for buy back of shares	-	10.13
Dividend Paid	(1,065.39)	(1,060.08)
Dividend Tax Paid	(216.90)	(180.16)
Net Cash used in Financing Activities	(1,138.47)	(1,154.33)
Net Increase in Cash and cash equivalents	418.26	351.31
Cash and Cash Equivalents at the beginning of the year	1,497.24	1,145.93
Cash and Cash Equivalents at the end of the year (refer note 15)	1,915.50	1,497.24
Summary of Significant accounting policies	3	
The accompanying notes are an integral part of these financial statements		

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

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

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

Notes to the Financial Statements

for the year ended March 31, 2016

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 management, analytics solutions and process outsourcing services 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.

3. SUMMARY OF 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 Interest rate applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

Dividend income is recognised when Company's right to receive dividend is established by the reporting date.

Notes to the Financial Statements

for the year ended March 31, 2016

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, if any. 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.

Gains or losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Intangible Assets

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

d) Depreciation and amortisation

The Company provides depreciation on tangible fixed assets using the Written Down Value method (other than leasehold assets) using the rates arrived at, based on useful lives estimated by the management.

The Company has used the following rates to provide depreciation on all its tangible 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
Computer Software	1-5 years

Intangible assets in the form of computer software are amortised over their respective individual estimated useful lives on a straight line basis.

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

Notes to the Financial Statements

for the year ended March 31, 2016

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 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.

Notes to the Financial Statements

for the year ended March 31, 2016

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.

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

Notes to the Financial Statements

for the year ended March 31, 2016

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. 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. 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 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.

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 Institute of Chartered Accountants of India ('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.

Notes to the Financial Statements

for the year ended March 31, 2016

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, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
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		
40,788,686 (P.Y. 30,350,885) equity shares of Rs. 10 each	407.89	303.51
	407.89	303.51

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

	March 31, 2016		March 31, 2015	
	No.	Rupees in million	No.	Rupees in million
At the beginning of the year	30,350,885	303.51	30,176,907	301.77
Add : Shares allotted during the year on account of exercise of share options by employees (refer note 26)	257,192	2.57	173,978	1.74
Add : Shares allotted during the year on account of bonus issue	10,180,609	101.81	-	-
Outstanding at the end of the year	40,788,686	407.89	30,350,885	303.51

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 19,719,283 shares (of which 10,180,609 shares have been issued in current year) and P.Y. 9,538,674 shares by way of bonus shares by capitalising securities premium during the period of five years immediately preceding the balance sheet date. The Company has bought back 37,623 shares (P.Y. 37,623) during the period of 5 years immediately preceding the balance sheet date.

Notes to the Financial Statements

for the year ended March 31, 2016

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

Name of the Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of Share Capital	No. of Shares held	% of Share Capital
Anjan Malik	10,229,666	25.08%	7,922,250	26.10%
PD Mundhra	10,223,816	25.07%	7,917,862	26.09%
Matthews India Fund	3,059,957	7.50%	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, 2016	As at March 31, 2015
5 RESERVES AND SURPLUS		
General Reserve		
Opening balance	983.17	998.10
Add: Adjustment during the year (Refer note 11)	-	(14.93)
Closing Balance	983.17	983.17
Hedging Reserve		
Opening balance	154.09	-
Add: (Loss)/Gain on Cash Flow Hedge Derivative (net)	(5.06)	154.09
Closing Balance	149.03	154.09
Securities Premium		
Opening balance	886.07	812.45
Add: Additions on ESOP exercise	141.11	72.69
Add: Transfer on exercise of stock options	2.11	0.93
(Less) : Bonus shares issued	(101.81)	-
Closing Balance	927.48	886.07
Stock Option Outstanding		
Opening balance	6.73	8.06
Add: Transfer during the year	0.01	2.62
(Less): Reversed on stock options cancelled/forfeiture during the year	(3.40)	(3.02)
(Less): Transferred to securities premium on exercise of stock options	(2.11)	(0.93)
Closing Balance	1.23	6.73

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Capital Redemption Reserve Account		
Opening balance	0.38	0.38
Add: Transfer during the year	-	-
Closing Balance	0.38	0.38
Surplus in the Statement of Profit and Loss Account		
Balance brought forward from previous year	4,132.00	3,263.46
Profit after tax	2,976.44	2,157.66
Surplus available for appropriation	7,108.44	5,421.12
Less : Appropriations		
Short Provision for Dividend	3.11	3.89
(Write back)/Provision of tax on dividends of previous year	(5.39)	0.66
Proposed Dividend#	40.79	1,062.28
Tax on Proposed Dividend	8.30	222.29
Balance carried to Balance Sheet	7,061.63	4,132.00
TOTAL RESERVES AND SURPLUS	9,122.92	6,162.44
# Proposed dividend of Re 1 per share (P.Y. Rs. 35 per share)		
6 LONG TERM PROVISIONS		
Provision for Gratuity (refer note 30)	117.74	95.21
TOTAL	117.74	95.21
7 OTHER NON CURRENT LIABILITIES		
Operating lease liabilities	114.61	99.89
TOTAL	114.61	99.89
8 TRADE PAYABLES		
Payable to Micro and small Enterprises (refer note 34)	-	-
Other Trade Payables	291.74	223.08
TOTAL	291.74	223.08

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
9 OTHER CURRENT LIABILITIES		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed Dividend	1.69	1.66
Unclaimed Fractional Share Payout	0.01	-
Advance Billing	43.47	19.50
Accrued Expenses	168.53	167.67
Operating lease liabilities	7.30	-
Creditors for Capital Expenses	12.83	23.88
Statutory Dues	38.83	46.54
Total	272.66	259.25
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Incentive Payable to employees	226.82	172.88
Provision for Gratuity (refer note 30)	25.00	10.00
Provision for Leave Encashment	151.83	68.76
	403.65	251.64
Others		
Provision for Taxation (Net)	2.69	39.68
Proposed Dividend #	40.79	1,062.28
Dividend Distribution Tax on Proposed Dividend	8.30	222.28
	51.78	1,324.24
TOTAL	455.43	1,575.88
# Proposed dividend of Re 1 per share (P.Y. Rs. 35 per share)		

Notes to the Financial Statements

for the year ended March 31, 2016

11 FIXED ASSETS

ASSETS	GROSS BLOCK - AT COST			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK		
	'As on April 1, 2015'	Additions during the year	Deductions / Adjustments	'As on March 31, 2016'	'As on April 1, 2015'	Charge during the year	Deductions / Adjustments	'As on March 31, 2016'	'As on March 31, 2015'
Tangible									
Office Equipments	288.02	189.25	10.44	466.83	162.60	117.52	7.59	272.53	194.30
Leasehold Improvements	356.74	37.86	40.33	354.27	113.48	58.27	34.88	136.87	217.40
Furniture And Fixtures	78.48	49.32	3.63	124.17	34.11	17.80	2.35	49.56	74.61
Computers	683.78	151.51	12.50	822.79	540.86	120.03	11.40	649.49	173.30
	1,407.02	427.94	66.90	1,768.06	851.05	313.62	56.22	1,108.45	555.97
INTANGIBLE									
Computer Software	242.52	20.11	-	262.63	145.92	60.40	-	206.32	56.31
	242.52	20.12	-	262.63	145.92	60.40	-	206.32	56.31
TOTAL	1,649.54	448.06	66.90	2,030.69	996.97	374.02	56.22	1,314.77	652.57

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	125.42
Leasehold Improvements	221.46	154.00	18.72	356.74	98.60	32.32	17.44	113.48	243.26
Furniture And Fixtures	63.80	26.15	11.47	78.48	33.40	10.05	9.34	34.11	44.37
Computers	567.73	121.31	5.26	683.78	426.15	108.69	(6.02)	540.86	142.92
	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	96.60
	127.23	115.32	0.03	242.52	102.60	44.20	0.88	145.92	96.60
TOTAL	1,150.74	535.75	36.95	1,649.54	723.09	285.67	11.79	996.97	427.65

* 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 and 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) had been charged against General Reserve.

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
12 INVESTMENTS		
Non Current Investments (Trade, unquoted) (At cost)		
Investments in Equity Instruments		
8000 (P.Y. Nil) equity shares of Re 1 each fully paid-up in Talentick Edusolutions Pvt. Ltd.	2.40	-
Investments in subsidiaries		
100 (P.Y. 100) equity shares of US \$1 each fully paid-up in eClerx LLC	0.72	0.72
100 (P.Y. 100) equity shares of GBP 1 each fully paid-up in eClerx Limited	3.31	3.31
5,819,323 (P.Y. 5,819,323) equity shares of GBP 1 each fully paid-up in eClerx Investments Limited	352.40	352.40
1 (P.Y. 1) equity shares of SGD 1 each fully paid-up in eClerx Private Limited	0.01	0.01
5,251,224 (P.Y.Nil) equity shares of GBP 1 each fully paid-up in eClerx Investments (UK) Limited	490.75	-
Investments in Preference Shares		
Investments in subsidiaries		
7,776,000(P.Y. 7,776,000)Optionally Convertible Redeemable Preference Shares of GBP 1 each fully paid-up in eClerx Investments Limited	642.65	642.65
13,434,888 (P.Y. Nil) Optionally Convertible and Redeemable Preference shares of GBP 1 each fully paid-up in eClerx Investments (UK) Limited	1,344.76	-
Total	2,837.00	999.09
Less Provision for diminution in value of investment (refer note 37)	(259.14)	-
Total	2,577.86	999.09
Current Investments (quoted) (valued at lower of cost and fair value)		
Investments in Mutual Funds		
164,488.323 (P.Y Nil) units of Baroda Pioneer Treasury Advantage Fund - Plan B DD	165.95	-
Nil (P.Y. 1,511,018.91) units of Birla Sun Life Savings Fund-Direct Plan - DD	-	151.55
Nil (P.Y. 1,112,426.654) units of Birla Sun Life Floating Rate Fund STP-IP-Reinvestment-DD	-	111.27
Nil (P.Y. 1,500,406.464) units of Birla Sun Life Cash Plus-Daily Dividend	-	150.33
211,432.769 (P.Y. 485,072.401) units of Birla Sun Life Floating Rate Long Term - Direct Plan - DD	21.24	48.70
4,258,508.50 (P.Y Nil) units of Birla Sun Life Floating Rate short Term - Direct Plan - DD	50.00	-
9,838,736.727 (P.Y. Nil) units of DSP Black Rock Short Term Fund - Direct Plan - Weekly Dividend	100.16	-
9,743,264.968 (P.Y Nil) units of IDFC Super Saver Income Fund - Short Term - Fortnightly Dividend - (Direct Plan)	100.00	-
Nil (P.Y 106,593.3274) units of Kotak Liquid Scheme Plan A DD	-	130.34
97,533.0742(P.Y. 29,743.4765) units of Kotak Floater Short Term - Direct Plan - DD	98.67	30.09

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
315,073.972 (P.Y. Nil) Kotak Low Duration Fund Direct Weekly Dividend	357.70	-
Nil (P.Y. 14,131,844.712) units of HDFC Cash Management Fund - Savings Plan - Direct Plan - DD	-	150.31
9,990,137.09 (P.Y. 6,403,159.593) units of HDFC FRIF-Short Term Plan - Direct Plan - DD	100.71	64.55
1,807,855.135 (P.Y. 1,500,910.39) units of ICICI Prudential Money Market Fund-Direct Plan- DD	181.04	150.31
1,008,448.14 (P.Y. 506,904.357) units of ICICI Prudential Savings Fund - Direct Plan - DD	101.16	50.85
Nil (P.Y. 40,080.364) units of IDFC Cash Fund	-	40.10
Nil (P.Y. 10,186,013.720) units of IDFC Ultra Short Term Fund Direct Plan - DD	-	102.42
134,938.618 (P.Y. Nil) units of Reliance Liquid Fund - Cash Plan-Direct Plan DD	150.34	-
Nil (P.Y. 151,535.751) units of Reliance Money Manager Fund-ISIN- DD	-	151.86
11,803,224.557 (P.Y. Nil) units of Reliance Medium Term Fund-Direct Plan DD	201.79	-
Nil (P.Y. 613,223.004) units of DWS Insta Cash Plus Fund	-	61.51
Nil (P.Y. 79,534.224) units of UTI Liquid Fund - Cash Plan	-	81.08
149,664.962 (P.Y. Nil) units of UTI-Money Market Fund -Institutional Plan - Direct Plan - DD	150.17	-
219,832.491 (P.Y. Nil) units of UTI-Treasury Advantage Fund - Institutional Plan - Direct Plan - DD	220.35	-
TOTAL	1,999.28	1,475.27
Aggregate value of unquoted investments	2,577.86	999.09
Aggregate value of quoted investments (Market value : Rs. 1999.69 million (P.Y. Rs 1,475.34 million))	1,999.28	1,475.27
13 LOANS AND ADVANCES		
Non Current (Unsecured, considered Good)		
Corporate Premises Rent Deposit	153.50	153.94
Other Deposits	4.35	1.91
Advance tax (Net)	12.48	12.65
Capital Advances	0.51	7.16
Service Tax Credit	354.03	457.74
Total	524.87	633.40
Current (Unsecured, considered Good)		
Staff Accommodation Rent Deposit	0.30	0.96
Service Tax Credit	-	50.63
Prepaid Expenses	49.72	23.33
Other Advances	13.43	19.42
Total	63.45	94.34

Notes to the Financial Statements

for the year ended March 31, 2016

	(Rupees in million)	
	As at March 31, 2016	As at March 31, 2015
14 TRADE RECEIVABLES (UNSECURED)		
Considered good		
Outstanding for a period exceeding six months	-	4.43
Other debts	1,485.33	1,135.83
TOTAL	1,485.33	1,140.26
15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances in Current accounts with banks	1,913.80	1,495.58
Unpaid Dividend account *	1.69	1.66
Unpaid Fractional share payout account *	0.01	-
	1,915.50	1,497.24
Other Bank Balances		
Balance with banks in fixed deposit accounts (of original maturity more than 3 months but less than 12 months)	421.40	880.00
Fixed deposits pledged with banks against bank guarantees	1.38	1.46
	422.78	881.46
TOTAL	2,338.28	2,378.70
* The Company can utilise these balances only toward settlement of the respective unpaid dividend/fractional share		
16 OTHER CURRENT ASSETS		
Unbilled Revenues	906.34	934.12
Recoverable expenses from clients	9.63	14.18
Forward Contracts	149.04	293.96
Interest accrued but not due	14.48	45.61
TOTAL	1,079.49	1,287.87

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
17 OTHER INCOME		
Interest on Fixed Deposit	34.37	151.10
Foreign Exchange Gain (net)	276.77	116.12
Dividend Income	43.24	51.80
Profit on Sale of Current Investments (net)	7.80	0.17
Miscellaneous Income	4.36	-
TOTAL	366.54	319.19
18 EMPLOYEE BENEFITS EXPENSES		
Salaries and Bonus	3,661.82	2,732.46
Employee Stock Option Scheme	(3.40)	(0.41)
Contribution to Provident fund	67.69	25.29
Gratuity (refer note 30)	46.84	43.62
Staff Welfare expenses	33.27	21.04
TOTAL	3,806.22	2,822.00

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
19 OTHER EXPENSES		
Cost of Technical Sub-Contractors	28.51	22.20
Sales and Marketing Services	1,579.89	1,521.58
Rent (refer note 24)	373.95	285.30
Legal and Professional Fees	116.08	146.11
Power and fuel	99.72	93.79
Communication Expenses	123.29	67.28
Auditors' remuneration (refer note 20)	6.27	4.43
Office Expenses	45.66	30.55
Rates and Taxes	12.44	8.54
Bank Charges	6.89	5.42
Computer and Electrical Consumables	150.02	71.33
Printing and Stationery	9.79	6.48
Local Conveyance	74.66	59.34
Corporate Social Responsibility Expenditure (refer note 33)	51.68	46.37
Housekeeping Services	32.67	24.41
Security Charges	60.42	48.94
Insurance	8.39	7.47
Subscription and Membership	9.02	13.43
Repairs and Maintenance		
' - Building	4.64	5.78
' - Others	10.39	9.78
Accounts Receivable Processing Charges	16.06	3.82
Board Meeting Sitting Fees	1.18	0.92
Bad Debts Written off	0.04	3.08
Advertisement Expenses	0.74	1.21
Travelling Expenses	244.58	199.92
Loss on Sale of Fixed Assets (net)	6.74	1.05
Business Promotion Expenses	3.15	3.68
Miscellaneous Expenses	1.92	2.32
TOTAL	3,078.79	2,694.53

Notes to the Financial Statements

for the year ended March 31, 2016

20. AUDITORS' REMUNERATION

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
As Auditor :		
Statutory audit and Limited Review	5.50	4.01
In other capacity:		
Certification Fees	0.40	0.22
Out of Pocket Expenses	0.37	0.20
Total	6.27	4.43

21. SHARE APPLICATION MONEY PENDING ALLOTMENT

ESOP PLAN	Year ended March 31, 2016			Year ended March 31, 2015		
	Exercise price	No. of shares	Allotment Date	Exercise price	No. of shares	Allotment Date
2008	257.50	2,400	April 7, 2016	111.47	9,000	April 17, 2015
2008	517.70	1,333	April 7, 2016	343.33	1,000	April 17, 2015
2011	555.33	335	April 7, 2016			

22. SEGMENT REPORTING

The Company's primary segment is based on the nature of services provided which is data management, analytics solutions 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 assets information regarding the Company's geographical segments:

(Rupees in million)

Operational Revenues	Year ended March 31, 2016	Year ended March 31, 2015
United States of America	8,286.34	5,960.48
United Kingdom	775.88	475.36
Europe	1,558.55	1,387.79
Asia Pacific	436.31	359.72
Total Revenues	11,057.08	8,183.35

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

Segment-wise Assets	As at March 31, 2016	As at March 31, 2015
United States of America	1,832.51	1,575.53
United Kingdom	2,744.70	1,142.14
Europe	311.38	274.24
Asia Pacific	5,883.40	5,668.42
Unallocated	12.49	60.28
Total	10,784.48	8,720.61

(Rupees in million)

Segment-wise Addition to Fixed assets	Year ended March 31, 2016	Year ended March 31, 2015
Asia Pacific	448.05	535.75
Total	448.05	535.75

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, 2016	As at March 31, 2015
Deferred Tax Assets		
Depreciation	-	9.33
Provision for gratuity	-	17.49
Provision for compensated absences	-	11.43
Provision for lease equalisation	-	9.37
Total	-	47.62

The deferred tax assets pertained to domestic tariff area units have been reversed due to lack of reasonable certainty of time frame by when the company will pay normal income tax in the future periods.

Notes to the Financial Statements

for the year ended March 31, 2016

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, 2016	Year ended March 31, 2015
Lease payments recognised in the statement of profit and loss	373.95	285.30
Future minimum lease payments for non-cancellable operating leases		
Not Later than one year	122.95	110.21
Later than one year, but not later than five years	74.30	189.57

25. CAPITAL AND OTHER COMMITMENTS

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16.90	52.20
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 (UK) Limited and the closing documents to effect the same acquisition were signed on April 21, 2015	-	1,687.75

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. During the year the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 plan, however active options thereunder would continue to vest as per the respective terms.

Notes to the Financial Statements

for the year ended March 31, 2016

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

	Year ended March 31, 2016		Year ended March 31, 2015	
	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	182,969	537.05	583,980	564.07
Adjusted for bonus*	20,750	-	-	-
Forfeited / cancelled	1	690.26	227,033	690.26
Exercised*	147,851	473.21	173,978	427.82
Balance as at the end of the year*	55,867	506.52	182,969	537.05
Exercisable at the end of the year	55,867	-	182,969	-

* During the year ended March 31, 2016, the Company has issued Bonus shares in the ratio of 1:3 on December 18, 2015. The effect on the weighted average exercise price due to bonus issue has been consequently adjusted.

For options exercised during the period, the weighted average share price at the exercise date was Rs. 1,613.31 per share (March 31, 2015: Rs. 1,232.91).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 0.96 years (March 31, 2015: 1.54 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 adjusted for bonus issue was Rs. 257.50 to Rs. 517.70 (March 31, 2015: 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.

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

	Year ended March 31, 2016		Year ended March 31, 2015	
	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	1,478,235	867.88	1,019,828	673.62
Adjusted for bonus*	560,498	-	-	-
Granted during the year	604,110	1595.00	618,288	1181.45
Forfeited / cancelled*	545,447	727.55	159,881	841.41
Exercised*	109,341	674.23	-	-
Balance as at the end of the year*	1,988,055	857.24	1,478,235	867.88
Exercisable at the end of the year	79,301	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2016

* During the year ended March 31, 2016 the Company has issued bonus shares in the ratio of 1:3 on December 18, 2015. The effect on the weighted average exercise price due to bonus issue has been consequently adjusted.

For options exercised during the period, the weighted average share price at the exercise date was Rs 1,523.70 per share (March 31, 2015 Rs. Nil).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 3.98 years (March 31, 2015: 4.14 years). The average vesting period is 2.86 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year adjusted for bonus issue was Rs. 463.91 to Rs. 1,196.25 (March 31, 2015: Rs. 618.55 to Rs. 1,181.45).

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, 2016	Year ended March 31, 2015
Net Profit after tax as reported	2,976.44	2,157.66
Add - Intrinsic Value Cost	(3.40)	(0.41)
Less - Fair Value Cost	64.95	66.34
Adjusted proforma Net Profit	2,908.09	2,090.91
Basic EPS as reported	73.21	53.42
Proforma Basic EPS	71.53	51.77
Diluted EPS as reported	71.63	52.23
Proforma Diluted EPS	70.24	50.77

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

ESOP 2011

Date of grant	May 25, 2015	May 20, 2014
Expected Volatility	31.00%	33.93%
Risk Free Interest Rate	7.72%	8.72%
Expected life of options granted in years	4.35	4.37
Dividend Yield	2.19%	2.96%

The weighted average fair value of stock options granted during the year was Rs. 504.87 [March 31, 2015 : Rs. 386.33].

Notes to the Financial Statements

for the year ended March 31, 2016

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 (UK) Limited (wholly owned subsidiary)
8. CLX Europe S.P.A. (100% subsidiary of eClerx Investments (UK) Limited)
9. Sintetik S.R.L. (100% subsidiary of CLX Europe S.P.A.)
10. CLX Europe Media Solution GmbH (100% subsidiary of CLX Europe S.P.A.)
11. CLX Europe Media Solution Limited (100% subsidiary of CLX Europe Media Solutions GmbH)
12. CLXThai Company Limited (49% holding of CLX Europe S.P.A.)

(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, 2016

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, 2016	March 31, 2015	March 31, 2016	March 31, 2015
1	eClerx Limited	Sales and Marketing Services	Wholly owned subsidiary	471.33	516.24	90.75 Payable	115.73 Payable
		Expenses incurred by holding Company on behalf of subsidiary		1.29	0.72		
		Amount received by holding Company on behalf of the subsidiary		10.67	-		
		Expenses incurred by subsidiary on behalf of holding Company		-	0.16		
2	eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	984.44	922.69	96.85 Payable	92.66 Payable
		Expenses incurred by holding Company on behalf of subsidiary		8.28	1.68		
		Amount received by subsidiary on behalf of the holding Company		3.15	-		
		Amount received by holding Company on behalf of the subsidiary		0.30	2.31		
3	Anjan Malik	Dividend	Director	277.28	277.28	-	-
4	PD Mundhra	Remuneration	Executive Director	22.30	22.93	-	-
		Dividend	Director	277.13	277.13	-	-
5	V.K. Mundhra	Dividend	Director	1.13	1.13	-	-
6	Rohitash Gupta	Remuneration (including stock option gain)	Key Management Personnel	12.04	13.19	-	-
		Dividend		2.57	2.73	-	-
7	Gaurav Tongia	Remuneration (including stock option gain)	Key Management Personnel	3.20	3.06	-	-
		Dividend		0.03	0.02	-	-
8	Duncan Stratton & Company Limited	Rent	Common Director	0.06	0.06	-	-
9	Agilyst Inc	Sales and Marketing Services	Step-down Subsidiary	62.03	-	61.28 Payable	-
		ITES Services provided by the ultimate holding company to step down subsidiary		480.46	-		
10	eClerx Private Limited	Sales and Marketing Services	Wholly owned Subsidiary	62.09	82.65	11.79 Payable	9.92 Payable
		Expenses incurred by holding Company on behalf of subsidiary		0.41	0.74		
		Expenses incurred by subsidiary on behalf of Company		0.35	-		

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

Sr. No.	Name	Nature of Transaction	Relationship	Transactions during the year		Outstanding Balance as at	
				March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
11	Agilyst Consulting Private Limited	Assets Transferred*		0.55	-		
		Liability Transferred*		50.83	0.40		
		Amount received by ultimate holding company on behalf of subsidiary		1.38	-	-	0.02
		Expenses incurred by the step subsidiary on behalf of the ultimate holding Company	Step-down Subsidiary	0.09	-		
		Rent paid on Assets leased		45.78	-		
		Purchase of Assets		-	0.05		
12	CLX Europe S.P.A.	Services provided by the ultimate holding Company to step down subsidiary	Step-down Subsidiary	28.15	-	6.05	-
13	eClerx Investments (UK) Ltd	Investment in Equity Shares and Optionally Convertible Preference Shares by holding Company	Wholly owned Subsidiary	1,835.52	-	-	-

* The services of all employees and other employee benefits of Agilyst Consulting Private Limited, step down subsidiary, have been transferred to Company with effect from April 01, 2015.

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.

28. DISCLOSURE PURSUANT TO LISTING REGULATIONS

There are no loans and advances in nature of loans outstanding from subsidiary for the year ended March 31, 2016.

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 antidilutive.

Notes to the Financial Statements

for the year ended March 31, 2016

		Year ended March 31, 2016	Year ended March 31, 2015
Profit after tax and before exceptional item (Rupees in million)	A	3,235.58	2,157.66
Add/(Less): Exceptional Item (refer note 37)		(259.14)	
Profit after tax and exceptional item attributable to shareholders (Rupees in million)	B	2,976.44	2,157.66
Weighted average number of equity shares considered for computing basic EPS *	C	40,657,929	40,388,449
Effect of Dilution			
Stock options grant under ESOP*		896,638	921,825
Weighted average number of equity shares considered for computing diluted EPS *	D	41,554,567	41,310,274
Earnings per share before exceptional item (Rs.)			
- Basic	A/C	79.58	53.42
- Diluted	A/D	77.86	52.23
Earnings per share after exceptional item (Rs.)			
- Basic	B/C	73.21	53.42
- Diluted	B/D	71.63	52.23
Nominal value of shares (Rs.)		10.00	10.00

* The shareholders of the Company, approved issue of Bonus Equity Shares in the ratio of 1:3 via postal ballot, result of which was announced on December 7, 2015. The weighted average number of equity shares has been restated for all periods presented to give effect of the Bonus Equity Shares approved by the shareholders.

Notes to the Financial Statements

for the year ended March 31, 2016

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, 2016 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.

(Rupees in million)

Change in Defined Benefit Obligation	As at March 31, 2016	As at March 31, 2015
Opening Defined Benefit Obligation	108.29	74.87
Interest cost	8.64	6.98
Current service cost	19.24	22.04
Liability Transferred	15.87	-
Benefits paid by the employer	(0.18)	-
Benefits paid by the fund	(23.57)	(10.85)
Actuarial (gain) / loss	19.21	15.25
Closing Defined Benefit Obligation (A)	147.50	108.29

(Rupees in million)

Change in fair value of assets	As at March 31, 2016	As at March 31, 2015
Opening fair value of assets	3.08	5.67
Expected Return on plan assets	0.25	0.49
Contribution by employer	25.00	7.61
Benefits paid from the fund	(23.57)	(10.85)
Actuarial gain	0.00	0.16
Closing fair value of plan assets (B)	4.76	3.08
Liability as per Balance Sheet (A-B)	142.74	105.21

Notes to the Financial Statements

for the year ended March 31, 2016

(Rupees in million)

Net Employee Benefit recognised in employee cost	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	19.24	22.04
Interest cost	8.64	6.98
Expected Return on plan assets	(0.25)	(0.49)
Actuarial loss	19.21	15.10
Total included in employment expenses	46.84	43.62

Principle Assumptions used in determining gratuity benefit obligation for the Company's plans are shown as below:	Year ended March 31, 2016	Year ended March 31, 2015
Actual return on Plan Assets	8%	9%
Financial assumptions at valuation date		
Discount rate	7.56%	7.99%
Rate of increase in compensation levels of covered employees	7%	7%
Expected rate of return on plan assets	7.56%	7.99%

Amount for the current and previous four periods are as follows

(Rupees in million)

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Gratuity					
Defined benefit obligation	147.50	108.29	74.87	67.67	48.82
Plan assets	4.76	3.08	5.67	2.87	1.83
Surplus / (deficit)	(142.74)	(105.21)	(69.20)	(64.80)	(46.99)
Experience adjustments on plan liabilities	(21.61)	(4.48)	(1.67)	(0.57)	(1.25)
Experience adjustments on plan assets	0.00	0.16	0.22	0.01	0.01

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

Date of grant	March 31, 2016	March 21, 2015
Investments with insurer	100%	100%

Notes to the Financial Statements

for the year ended March 31, 2016

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, 2016					
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Amount (in INR)	Average Rate (INR)
Forward Contract to Sell	2016 - 17	USD	\$79.13	5,522.36	69.79
		Euro	€13.01	1,038.01	79.79
	2017- 18	USD	\$24.84	1,820.59	73.29
		Euro	€5.31	439.21	82.71

As at March 31, 2015					
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Amount (in INR)	Average Rate (INR)
Forward Contract to Sell	2015 - 16	USD	\$75.90	5,055.54	66.61
		Euro	€8.42	729.82	86.68
	2016- 17	USD	\$25.10	1,722.65	68.65
		Euro	€3.54	294.87	83.30

As on the balance sheet date, the Company's net foreign currency exposure that is not hedged is Rs. 3,260.42 million (P.Y. Rs. 2,806.04 million).

32. The Company has deferred the recognition of cumulative Minimum Alternative Tax (MAT) credit of Rs.177.30 million as at March 31, 2016 (P.Y. Rs 326.39 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. 51.31 (P.Y. 46.34) million

Amount spent during Financial Year: Rs. 51.68 (P.Y. 46.37) million

(Rupees in million)

As at March 31, 2016			
CSR Activities	In Cash	Yet to be spent in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	51.68	-	51.68

(Rupees in million)

As at March 31, 2015			
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 Financial Statements

for the year ended March 31, 2016

34. DUES TO MICRO AND SMALL ENTERPRISES

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

35. CONTINGENT LIABILITIES

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Guarantees given by the Company on behalf of various subsidiaries against credit card facilities (refer note a)	4.44	4.25
Income Tax demands (refer note b)	30.50	30.46
Indirect Tax demands	7.76	7.76

Notes:

(a) The guarantee is for usage of Amex cards by subsidiaries of the Company. Amex cards are issued to employees of foreign subsidiaries which are used by them to incur expenses on travel, business promotion and other office expenses.

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. 13.20 million for Financial Years 2004-05 and 2006-07. The department has preferred appeal to High Court for Financial Years 2004-05 and 2006-07 and filed Special Leave Petition with Supreme Court for Financial Years 2006-07 and 2007-08. The Company has received demand amounting to Rs. 0.09 million for Financial Year 2008-09 against which the Company has received favorable order from Commissioner of Income Tax (Appeals). The Company has received demand amounting to Rs. 17.17 million for Financial Year 2010-11 against which Company has filed appeals with Commissioner of Income Tax (Appeals).

(c) Service Tax refund claims for the period October 2009 till March 2012 to the extent rejected by Commissioner of Central Excise (Appeals) for Rs.83.12 million is pending in appeal before CESTAT.

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.

Notes to the Financial Statements

for the year ended March 31, 2016

36. SUPPLEMENTARY STATUTORY INFORMATION:

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
CIF value of imports:		
Capital Goods	228.33	198.14
Expenditure in foreign currency (accrual basis):		
Sales and Marketing Services	1,579.89	1,521.58
Other Expenses	43.36	22.76
Earnings in foreign exchange:		
Income from services	10,971.02	8,159.91
Remittance in foreign currency on account of dividend*		
Dividend for the year		
2014-15	294.76	-
2013-14	-	285.65
Number of non-resident shareholders for the year		
2014-15	488	-
2013-14	-	465
Shares held by non-resident shareholders on which dividend was due for the year *		
2014-15	8,421,579	
2013-14	-	8,161,290

*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 2013-14 and 2014-15.

Notes to the Financial Statements

for the year ended March 31, 2016

37. EXCEPTIONAL ITEMS

The Company, through its subsidiary eClerx Investment Ltd, acquired Agilyst Inc. in May 2012. One of the major clients of Agilyst Inc. decided to move its service agreement from Agilyst Inc. to the Company for better physical and IT infrastructure and stronger financial position, with effect from October 22, 2015. The Company had hence reviewed the carrying value of investment in Agilyst Inc. made through its subsidiary eClerx Investments Ltd and made a provision for diminution in value of Rs 259.14 million in the standalone financials in the year ended March 31, 2016.

38. SCHEME OF AMALGAMATION

The Board of Directors of eClerx Services Limited at their meeting held on September 11, 2015 have approved the Scheme of Amalgamation between Agilyst Consulting Private Limited, step down subsidiary and eClerx Services Limited and their respective shareholders (the "Scheme") which provides for the amalgamation of Agilyst Consulting Private Limited a step down subsidiary, with eClerx Services Limited ('the Company') under sections 391 to 394 and other applicable provisions, if any, of Companies Act, 1956 and the other relevant provisions of Companies Act, 2013. The Appointed date of the Scheme is April 1, 2015.

The Company has received the Observation letter from BSE Ltd. and the National Stock Exchange of India Limited conveying their no-objection in filing the Scheme with the Hon'ble High Court of Bombay ('High Court'). The Scheme of Amalgamation was filed by Agilyst Consulting Private Limited with the Hon'ble High Court. The High Court vide its order dated April 1, 2016, has dispensed with the requirement for filing a separate Company Summons for Direction and Company Scheme Petition under Section 391-394 of the Companies Act, 1956 for eClerx Services Limited and therefore there was no requirement for holding meetings of shareholders or creditors of the Company in this regard.

The Scheme is pending before the Hon'ble Court for approval and would be effective only once the order is received from Hon'ble High Court of Bombay and filed with the Registrar of Companies. Thereafter, the Scheme will be given effect to in the books of accounts of the Company.

39. 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 "arm's 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.

40. Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's presentation.

As per our report of even date

For S. R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

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

V.K. Mundhra

Chairman

PD 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") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, 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. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph of the Other Matter below, 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, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- (a) We / the other auditors whose reports we have relied upon 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 and reports of the other auditors;
- (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 account 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, 2016 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in Annexure 1 to this report;
- (g) 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 38 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.

Other Matter

The accompanying consolidated financial statements include total assets of Rs. 2,489.29 million as at March 31, 2016, and total revenues of Rs. 1,457.48 million and net cash inflows amounting to Rs. 193.90 million for the year ended on that date, in respect of five subsidiaries which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For S.R. Batliboi & Associates LLP

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 20, 2016

Annexure 1 to the Independent Auditor's Report of even date on the consolidated financial statements of eClerx Services Limited
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of eClerx Services Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of eClerx Services Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: May 20, 2016

Consolidated Balance Sheet

as at March 31, 2016

(Rupees in million)

Note		As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	4	407.89	303.51
Reserves and Surplus	5	10,453.66	6,845.18
		10,861.55	7,148.69
Share Application Money Pending Allotment	26	1.49	1.35
Minority Interest		5.87	-
Non Current Liabilities			
Deferred Tax Liability (net)	28	23.46	18.12
Long-term Provisions	6	117.74	110.49
Other Non Current Liabilities	7	152.64	104.08
		293.84	232.69
Current Liabilities			
Short-Term Borrowings			
Trade Payables	9	138.33	17.17
Other Current Liabilities	10	499.59	353.98
Short-term Provisions	11	818.48	1,837.81
		1,491.52	2,208.96
TOTAL		12,654.27	9,591.69
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	869.47	695.09
Intangible Assets	12	2,528.30	975.26
Capital work in Progress		-	11.49
Non-current Investments	13	2.40	-
Deferred Tax Assets (net)	28	16.60	69.74
Loans and Advances	14	560.21	650.22
		3,976.98	2,401.80
Current Assets			
Current Investments	13	2,190.95	1,552.87
Inventories	15	4.55	-
Trade Receivables	16	1,860.95	1,261.39
Cash and Bank Balances	17	3,268.35	2,865.75
Loans and Advances	14	236.03	151.16
Other Current Assets	18	1,116.46	1,358.72
		8,677.29	7,189.89
TOTAL		12,654.27	9,591.69
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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

			(Rupees in million)	
Note		Year ended March 31, 2016	Year ended March 31, 2015	
INCOME				
Revenue from Operations		13,143.16	9,421.20	
Other Income	19	410.55	324.58	
Total Revenue		13,553.71	9,745.78	
EXPENDITURE				
Employee Benefit Expense	20	5,682.05	4,398.09	
Finance Costs	21	0.41	-	
Other Expenses	22	2,599.91	1,868.13	
Depreciation and Amortisation Expense	12	507.04	500.22	
		8,789.41	6,766.44	
Profit Before Taxes		4,764.30	2,979.34	
Tax Expense				
- Current Tax		1,073.16	710.85	
- Deferred Tax		58.68	(28.27)	
		1,131.84	682.58	
Profit for the year before minority interest		3,632.46	2296.76	
Minority Interest		2.49	-	
Profit for the year		3,629.97	2,296.76	
Earnings per Equity Share	33			
Earning per Equity Share (in Rs.) [nominal value of share Rs. 10 (P.Y. Rs. 10)]				
-Basic		89.28	56.87	
-Diluted		87.35	55.60	
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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	4,764.30	2,979.34
Adjustments for :		
Depreciation	507.04	500.22
Stock Options Charge(net)	(3.40)	(0.41)
Unrealised Foreign Exchange (Gain)/ Loss	26.87	(21.30)
(Profit)on Sale of Investments	(7.80)	(0.16)
Loss on Sale of assets	6.96	1.06
Bad Debts Written off	0.04	3.08
Finance Costs	0.41	-
Dividend Income	(52.31)	(56.47)
Interest Income	(34.69)	(151.61)
Operating Profit Before Working Capital Changes	5,207.42	3,253.75
Adjustments for :		
(Increase) in Inventories	0.47	-
(Increase) in Trade Receivables	(400.44)	(255.38)
(Increase)/Decrease in Non Current Loans and Advances	126.85	(13.57)
(Increase) in Current Loans and Advances	(0.80)	(70.65)
(Increase)/Decrease in Other Current Assets	235.31	(140.71)
Increase in Trade Payables	27.50	5.79
Increase in Other Current Liabilities	12.36	117.96
Increase in Other Non Current Liabilities	48.55	7.45
Increase in Short term Provision	115.85	161.89
Increase in Long term Provision	7.25	41.06
Cash Generated by Operating Activities	5,380.32	3,107.59
Income Taxes paid (net of refunds)	(1,126.36)	(675.89)
Net Cash Generated by Operating Activities	4,253.96	2,431.70
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Current Investments	7,957.53	3,157.58
Purchase of Current Investments	(8,587.80)	(3,555.50)
Purchase of Non Current Investments	(2.40)	
Investment in bank deposits(having original maturity of more than three months)	(523.38)	(2,140.57)
Redemption/maturity of bank deposits(having original maturity of more than three months)	980.11	2,327.92
Payment for acquisition of stake in subsidiary (net of cash and cash equivalent acquired of Rs 112.50 million)	(1,139.64)	-
Sale of Fixed Assets	10.11	4.22
Purchase of Fixed Assets (including Capital work in progress)	(530.83)	(613.78)
Interest received	65.80	140.72
Dividend received	52.31	56.47
Net Cash used in Investing Activities	(1,718.19)	(622.94)

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from equity issued	142.33	74.43
Proceeds from equity issued pending allotment	1.49	1.35
Short term Bank Loan Taken	35.12	-
Finance Cost	(0.41)	-
Repayment of borrowings of subsidiary	(546.37)	-
(Deposit)/Proceeds in/from Escrow account for buy back of shares	-	10.13
Dividend Paid	(1,065.39)	(1,060.08)
Dividend Tax Paid	(216.90)	(180.16)
Net Cash used in Financing Activities	(1,650.13)	(1,154.33)
Effect of Exchange fluctuation on Cash and Cash Equivalents	(26.69)	2.90
Net Increase in Cash and cash equivalents	858.95	657.33
Cash and Cash Equivalents at the beginning of the year	1,975.78	1,318.45
Cash and Cash Equivalents at the end of the year (Refer note 17)	2,834.73	1,975.78
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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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

per Amit Majmudar

Partner

Membership Number: 36656

Place : Mumbai

Date : May 20, 2016

V.K. Mundhra

Chairman

PD 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, 2016

1. CORPORATE INFORMATION

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

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 consolidated financial statements for the year ended March 31, 2016 also includes the financial statements of CLX Europe S.P.A and its subsidiaries (together referred to as 'CLX Group') for the period post acquisition (refer note 24) and hence the previous year figures are not comparable to that extent.

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 3.1 below.

3. 3.1 CHANGE IN ACCOUNTING POLICY

Impairment of Goodwill

Till the year ended March 31, 2015, the Company amortised goodwill on consolidation over a period of ten years and also, tested it for impairment. From April 1, 2015, the Company has changed its policy whereby goodwill is tested for impairment and is not amortised. The management believes that the change in policy would result in a more appropriate presentation of the financial results of the Group. Had the Company continued to follow the earlier policy, its depreciation and amortisation expense for the year ended March 31, 2016 would have been higher by Rs. 276.63 million and profit after tax would have been lower by Rs. 276.63 million.

3.2 SUMMARY OF 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 recognized prospectively in current and future periods.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in note 23. 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 statements have been prepared on the following basis:

- i) The financial statements of the parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the 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 recognised 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
- v) Changes have been made in the accounting policies followed by each of the subsidiaries to the extent they were material and identifiable from their respective audited financial statements to make them uniform with the accounting policies followed by the Holding Company. Where it has not been practicable to use uniform accounting policies in preparing the consolidated financial statements, the different accounting policies followed by each of the subsidiaries have been followed (refer note 3.2 (e)).

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. Interest income is included under the head "Other Income" in the statement of profit and loss.

Dividend income is recognised when Group's right to receive dividend is established by the reporting date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

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, if any. 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.

Gains or Losses arising from disposal of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss when the asset is disposed.

Intangible Assets

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

e) Depreciation and amortisation

The Group provides depreciation on tangible fixed assets using the Written Down Value Method (other than leasehold assets) using the rates arrived at, based on useful lives estimated by the management.

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

Type of Asset	Useful lives estimated by the management (years)
Tangible Assets	
Office Equipment	5 years
Furniture and Fixtures	10 years
Computer	
-End User Devices	3 years
-Servers	6 years
Leasehold improvements	Lease term
Intangible Assets	
Computer Software	1-5 years
Product Development Cost	3 years
Intellectual Property	3 years
Licenses and Trademarks	3 years

No depreciation is provided on freehold land.

Intangible assets in the form of computer software, product development cost, intellectual property and licenses and trademarks are amortised over their respective individual estimated useful lives on a straight line basis.

The Group uses depreciation based on same useful life of assets for all the subsidiaries other than the following assets in CLX Group

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

Description of Assets	* Method	Useful Life of Assets	Proportion to Gross Block
Office Equipment	S.L.M	3-10 years	0.19%
Furniture and Fixtures	S.L.M	3-15 years	0.19%
Computer Hardware	S.L.M	3-5 years	3.67%
Plant and Machinery	S.L.M	4-12 years	0.15%
Building	S.L.M	50 years	0.69%
Vehicles	S.L.M	4 years	0.02%

* S.L.M refers to straight Line Method

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 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 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

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 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.

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

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.

Subsidiary in Italy

One of the subsidiary of the Group, "CLX Europe S.P.A" contributes to a Pension Fund, a defined contribution plan regulated and managed by the Government of Italy in respect of eligible employees. Contributions are charged to the consolidated statement of profit and loss on accrual basis.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

j) Leases

Leases, where the lessor effectively retains substantially all 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. 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. 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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

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.

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 Institute of Chartered Accountants of India ('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) Inventories

Raw materials are valued at lower of cost and net realisable value. Cost of raw materials is determined on a weighted average basis.

o) 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.

p) 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, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
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		
40,788,686 (P.Y. 30,350,885) equity shares of Rs. 10 each	407.89	303.51
	407.89	303.51

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

	March 31, 2016		March 31, 2015	
	No.	Rupees in million	No.	Rupees in million
Opening at the beginning of the year	30,350,885	303.51	30,176,907	301.77
Add : Shares allotted during the year on account of exercise of share options by employees (refer note 31)	257,192	2.57	173,978	1.74
Add : Shares issued on account of bonus	10,180,609	101.81	-	-
Outstanding at the end of the year	40,788,686	407.89	30,350,885	303.51

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 and buyback of equity shares.

The Company has issued 19,719,283 shares (of which 10,180,609 shares have been issued in current year) and P.Y. 9,538,674 shares by way of bonus issue by capitalising securities premium during the period of five years immediately preceding the balance sheet date. The Company has bought back 37,623 shares (P.Y. 37,623) 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, 2016		March 31, 2015	
	No. of Shares held	% of Share Capital	No. of Shares held	% of Share Capital
Anjan Malik	10,229,666	25.08%	7,922,250	26.10%
PD Mundhra	10,223,816	25.07%	7,917,862	26.09%
Matthews India Fund	3,059,957	7.50%	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 31.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

	(Rupees in million)	
	As at March 31, 2016	As at March 31, 2015
5 RESERVES AND SURPLUS		
General Reserve		
Opening balance	983.88	998.81
Add: Transfer/Adjustment during the year(refer note 12)	-	(14.93)
Closing Balance	983.88	983.88
Statutory Reserve		
Opening balance	-	-
Add: Transfer during the year *	0.70	-
Closing Balance	0.70	-
One of the subsidiary CLX Europe S.P.A. is required to transfer certain funds to the statutory reserve as per the local law requirements.		
Hedging Reserve		
Opening balance	154.09	-
Add: (Loss)/Gain on Cash Flow Hedge Derivative (net)	(5.06)	154.09
Closing balance	149.03	154.09
Capital Redemption Reserve		
Opening balance	0.38	0.38
Add: Transfer during the year	-	-
Closing balance	0.38	0.38
Securities Premium		
Opening balance	886.07	812.45
Add: Additions on ESOP exercise	141.11	72.69
Add: Transfer on exercise of stock options	2.11	0.93
(Less) : Bonus shares issued	(101.81)	-
Closing balance	927.48	886.07
Stock Option Outstanding		
Opening balance	6.71	8.06
Add: Transfer during the year	0.01	2.61
(Less): Reversed on stock options cancelled/forfeiture during the year	(3.40)	(3.03)
(Less): Transferred to securities premium on exercise of stock options	(2.11)	(0.93)
Closing balance	1.21	6.71
Surplus in the Statement of Profit and Loss Account		
Balance brought forward from previous year	4,606.88	3,599.23
Profit after tax	3,629.97	2,296.76
Surplus available for appropriation	8,236.85	5,895.99
Less : Appropriations		
Short Provision for Dividend	3.11	3.89
Write back of tax on dividends of previous year	(5.39)	0.66

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

	(Rupees in million)	
	As at March 31, 2016	As at March 31, 2015
Proposed Dividend#	40.79	1,062.28
Tax on Proposed Dividend	8.30	222.28
Transfer to General Reserve		
Balance carried to Balance Sheet	8,190.04	4,606.88
Foreign Currency Translation Reserve		
Opening balance	207.17	168.02
Add: Foreign Currency Translation during the year	(6.23)	39.15
Closing balance	200.94	207.17
TOTAL RESERVES AND SURPLUS	10,453.66	6,845.18
# Proposed dividend of Re 1 per share (P.Y. Rs 35 per share)		
6 LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity (Refer note 34)	117.74	110.49
TOTAL	117.74	110.49
7 OTHER NON CURRENT LIABILITIES		
Operating lease liabilities	117.16	104.08
Others	35.48	-
TOTAL	152.64	104.08
8 SHORT TERM BORROWINGS		
Loans repayable on demand		
From banks		
Unsecured:		
Bank Loan and Overdraft *	35.12	-
TOTAL	35.12	-
* This refers to unsecured working capital loan carrying interest rate of 1.25% p.a. repayable in 12 months from date of sanction.		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

	(Rupees in million)	
	As at March 31, 2016	As at March 31, 2015
9 TRADE PAYABLES		
Payable to Small, Micro and Medium Enterprises	-	-
Other Trade Payables	138.33	17.17
TOTAL	138.33	17.17
10 OTHER CURRENT LIABILITIES		
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unclaimed Dividend	1.69	1.66
Unclaimed Fractional Share Payout	0.01	-
Advance Billing	45.34	20.37
Creditors for capital expenditure	12.82	23.88
Accrued Expenses	330.35	254.07
Statutory Dues	81.28	52.78
Operating lease liabilities	9.21	1.22
Advances from Customers	10.19	-
Others	8.70	-
TOTAL	499.59	353.98
11 SHORT TERM PROVISIONS		
Provision for Employee Benefits		
Incentive Payable to employees	422.40	407.23
Provision for Gratuity (Refer note 34)	25.00	10.10
Provision for Leave Encashment	179.75	80.54
Provision for Other employee benefits	113.98	-
	741.13	497.87
Other		
Provision for Taxation (Net)	28.26	55.38
Proposed Dividend #	40.79	1,062.28
Dividend Distribution Tax on Proposed Dividend	8.30	222.28
	77.35	1,339.94
TOTAL	818.48	1,837.81
# Proposed dividend of Re 1 per share (P.Y. Rs 35 per share)		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

ASSETS	GROSS BLOCK - AT COST			ACCUMULATED DEPRECIATION / AMORTISATION			NET BLOCK			
	As on April 1, 2015	Additions during the year	Deductions/ Adjustments	Translation Exchange Difference	As on March 31, 2016	As on April 1, 2015	Additions during the year	Translation Exchange Difference	As on March 31, 2016	As on March 31, 2015
Tangible										
Leasehold Improvements	406.06	44.32	40.33	1.93	411.98	134.25	65.55	34.87	165.34	271.81
Office Equipments	367.48	200.89	10.45	2.21	560.13	201.58	140.89	7.60	336.01	165.90
Computers	855.62	252.92	15.65	8.32	1,101.21	646.87	181.59	13.29	817.98	208.75
Furniture & Fixtures	94.45	53.22	4.24	0.60	144.03	45.82	20.45	2.92	63.53	48.63
Land	-	18.30	-	(0.64)	17.66	-	-	-	-	-
Building	-	16.13	-	(0.54)	15.59	-	0.82	-	0.85	-
Plant And Machinery	-	3.33	-	0.07	3.40	-	1.12	-	1.16	-
Vehicles	-	0.44	-	0.05	0.49	-	0.14	-	0.15	-
	1,723.61	589.55	70.67	12.00	2,254.49	1,028.52	410.56	58.68	1,385.02	695.09
Intangible										
Goodwill	1,196.83	1,496.35	-	95.85	2,789.03	339.33	-	20.29	359.62	857.50
Computer Software	303.04	20.12	-	0.08	323.24	185.28	72.16	-	257.51	117.76
Product Development Cost	-	32.64	-	1.05	33.69	-	13.78	-	14.26	-
Intellectual Property	-	25.36	5.06	0.83	21.13	-	9.41	-	9.74	-
Licenses And Trademarks	-	3.14	-	0.37	3.51	-	1.13	-	1.17	-
	1,499.87	1,577.61	5.06	98.18	3,170.60	524.61	96.48	-	642.30	975.26
	3,223.48	2,167.16	75.73	110.18	5,425.09	1,553.13	507.04	58.68	2,027.32	1,670.35
ASSETS	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	Translation Exchange Difference	As on March 31, 2015	As on March 31, 2014
Tangible										
Leasehold Improvements	269.36	156.71	18.71	(1.30)	406.06	113.68	38.30	17.44	134.25	155.68
Office Equipments	235.46	132.42	1.56	1.16	367.48	74.49	119.80	(6.88)	201.58	160.97
Computers	691.23	169.29	5.58	0.68	855.62	486.00	150.54	(9.96)	646.87	205.23
Furniture And Fixtures	79.53	26.71	11.74	(0.05)	94.45	43.37	12.14	9.61	45.82	36.16
	1,275.58	485.13	37.59	0.49	1,723.61	717.54	320.78	10.21	1,028.52	558.04
Intangible										
Goodwill	1,149.22	-	-	47.61	1,196.83	208.24	119.76	-	11.33	857.50
Computer Software	175.11	127.95	0.03	0.01	303.04	126.47	59.68	0.89	185.28	48.64
	1,324.33	127.95	0.03	47.62	1,499.87	334.71	179.44	0.89	11.35	989.62
TOTAL	2,599.91	613.08	37.62	48.11	3,223.48	1,052.25	500.22	11.10	1,553.16	1,547.66

* 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 and 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) had been charged against General Reserve.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

	(Rupees in million)	
	As at March 31, 2016	As at March 31, 2015
13 INVESTMENTS		
Non Current Investments (Trade, unquoted) (At cost)		
Investments in Equity Instruments		
8000 (P.Y. Nil) equity shares of Re 1 each fully paid-up in Talentick Edusolutions Pvt. Ltd.	2.40	-
	2.40	-
Current Investments (quoted) (valued at lower of cost and fair value)	-	
Investments in Mutual Funds	-	
1,807,855.135 (P.Y. 1,500,910.39) units of ICICI Prudential Money Market Fund-Direct Plan- DD	181.04	150.31
1,008,448.14 (P.Y. 506,904.357) units of ICICI Prudential Savings Fund - Direct Plan - DD	101.15	50.85
Nil (P.Y. 10,186,013.72) units of IDFC Ultra Short Term Fund - Direct Plan - DD	-	102.42
Nil (P.Y. 40,080.364) units of IDFC Cash Fund-Daily Dividend-Direct Plan	-	40.10
9,743,264.968 (P.Y Nil) units of IDFC Super Saver Income Fund - ST - Direct Plan -Fortnightly Dividend	100.00	-
Nil (P.Y.14,131,844.712) units of HDFC Cash Management Fund - Savings Plan-Direct Plan- DD	-	150.31
9,990,137.09 (P.Y 6,403,159.593) units of HDFC FRIF-Short Term Plan - Direct Plan - DD	100.71	64.55
Nil (P.Y 613,223.004) units of DWS Insta Cash Plus Fund	-	61.51
164,488.323 (P.Y Nil) units of Baroda Pioneer Treasury Advantage Fund - Plan B DD	165.95	-
9,838,736.727 (P.Y. Nil) units of DSP Black Rock Short Term Fund - Direct Plan - Weekly Dividend	100.16	-
'151557.243 (P.Y. 190,391.757)ICICI Prudential Flexible Income Plan	16.03	20.13
Nil (P.Y. 151,535.751) units of Reliance Money Manager Fund-ISIN-Daily Dividend	-	151.86
134,938.618 (P.Y. Nil) units of Reliance Liquid Fund - Cash Plan-Direct Plan DD	150.34	-
11,803,224.557 (P.Y. Nil) units of Reliance Medium Term Fund-Direct Plan DD	201.79	-
'591,296.991 (P.Y. 2,084,005.17) Birla Sun Life Savings Fund-Daily div.-Direct Plan	59.31	209.02
'492,682.211 (P.Y 1,112,426.654) units of Birla Sun Life Floating Rate Fund STP-IP-Reinvestment-DD	49.28	111.27
Nil (P.Y. 1,500,406.464) units of Birla Sun Life Cash Plus-Daily Dividend	-	150.33
262,487.165 (P.Y. 485,072.401) units of Birla Sun Life Floating Rate Long Term - Direct Plan - DD	26.37	48.70
4,258,508.50 (P.Y Nil) units of Birla Sun Life Floating Rate Short Term - Direct Plan - DD	50.00	-
Nil (P.Y 106,593.3274) units of Kotak Liquid Scheme Plan A Daily Dividend	-	130.34
97,533.0742(P.Y. 29,743.4765) units of Kotak Floater Short Term - Direct Plan - DD	98.67	30.09
315,073.972 (P.Y. Nil) Kotak Low Duration Fund Direct Weekly Dividend	357.70	-
Nil (P.Y. 79,534.224) units of UTI Liquid Cash Plan	-	81.08
149,664.962 (P.Y Nil) units of UTI-Money Market Fund -Institutional Plan - Direct Plan - DD	150.17	-
281614.554 (P.Y Nil) units of UTI-Treasury Advantage Fund - Institutional Plan - Direct Plan - DD	282.28	-
TOTAL	2,190.95	1,552.87
Aggregate value of unquoted investments	2.40	-
Aggregate value of quoted investments (Market value : Rs. 2,191.38 million (P.Y. Rs 1,552.94 million)	2,190.95	1,552.87

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
14 LOANS AND ADVANCES		
Non Current (Unsecured, considered Good)		
Corporate Premises Rent Deposit	158.95	166.84
Other Deposits	5.61	3.45
Advance tax (Net)	41.11	15.02
Service Tax and Other Tax Credits	354.03	457.74
Capital Advances	0.51	7.17
TOTAL	560.21	650.22
Current (Unsecured, Considered good)		
Staff Accommodation Rent Deposit	1.01	1.64
Prepaid Expenses	88.63	40.10
Service Tax and Other Tax Credits	18.99	69.27
Other Advances	127.40	40.15
TOTAL	236.03	151.16
15 INVENTORIES		
Raw Materials	4.55	-
TOTAL	4.55	-
16 TRADE RECEIVABLES (UNSECURED)		
Considered good		
Debts outstanding for period exceeding six months		9.20
Other debts	1,860.95	1,252.19
TOTAL	1,860.95	1,261.39
17 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cash in Hand	0.47	0.01
Balances in Current accounts with banks	1,915.62	1,566.42
Balances with Non Scheduled Banks in foreign currencies	916.94	407.69
Unpaid Dividend account **	1.69	1.66
Unpaid Fractional Share Payout account**	0.01	-
TOTAL	2,834.73	1,975.78

** The Company can utilise these balances only toward settlement of the respective unpaid dividend and fractional share.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Other Bank Balances		
Balance with banks in fixed deposit accounts (of original maturity more than 3 months but less than 12 months)	423.93	880.00
Earmarked balances with banks	8.23	7.86
Fixed deposits pledged with banks against bank guarantees	1.46	2.11
TOTAL	433.62	889.97
18 OTHER CURRENT ASSETS		
Unbilled Revenues	941.50	1,004.80
Recoverable expenses from clients	9.63	14.20
Forward Contracts	149.04	293.96
Interest Accrued but Not Due	16.29	45.76
TOTAL	1,116.46	1,358.72
	Year ended March 31, 2016	Year ended March 31, 2015
19 OTHER INCOME		
Interest on fixed deposit	34.69	151.61
Dividend Income	52.31	56.47
Profit on Sale of Current Investments (net)	7.80	0.16
Miscellaneous Income	4.60	0.89
Foreign Exchange Gain (net)	311.15	115.45
TOTAL	410.55	324.58
20 EMPLOYEE BENEFIT EXPENSES		
Salaries and Bonus	5,355.95	4,287.39
Employee Stock Option Scheme	(3.40)	(0.41)
Contribution to Provident fund and other employee benefits	221.65	34.78
Gratuity (Refer note 34)	68.21	49.13
Staff Welfare expenses	39.64	27.20
TOTAL	5,682.05	4,398.09
21 FINANCE COSTS		
Interest on Loans	0.19	-
Other borrowing costs	0.22	-
TOTAL	0.41	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
22 OTHER EXPENSES		
Cost of Technical Sub-Contractors	518.88	140.98
Cost of raw materials, consumables, spare parts and other goods	26.70	-
Rent (Refer Note 29)	474.72	364.49
Legal and Professional fees	184.34	231.69
Power and Fuel	114.35	101.04
Communication expenses	181.76	138.81
Auditors' Remuneration (Refer Note 25)	16.26	6.71
Office Expenses	36.58	42.61
Rates and Taxes	21.11	11.64
Bank Charges	10.44	6.61
Sales Discount	2.18	-
Computer and Electrical Consumables	140.45	91.16
Printing and Stationery	11.79	9.45
Local Conveyance	74.74	66.21
Donation	4.05	4.14
Corporate Social Responsibility Expenditure (refer note 37)	53.64	46.37
Housekeeping Services	33.09	28.23
Security Charges	60.45	51.84
Insurance	16.19	12.03
Subscription & Membership Fees	35.18	34.77
Repairs and Maintenance		
'-Building	4.64	7.67
'-Others	23.53	10.65
AR Processing Charges	16.17	3.82
Board Meeting Sitting Fees	1.18	0.92
Bad Debts Written off	0.04	3.08
Advertisement expenses	1.61	1.21
Traveling expenses	456.17	381.83
Freight, Transportation, port charges, etc	11.98	-
Business Promotion expenses	58.81	66.52
Loss on Sale of Fixed Assets (net)	6.96	1.06
Miscellaneous expenses	1.92	2.59
TOTAL	2,599.91	1,868.13

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

23. Consolidated financial statements as at March 31, 2016 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, 2016	Year ended March 31, 2015
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 (UK) Limited	United Kingdom	100%	100%
8	CLX Europe S.P.A	Italy	100% subsidiary of eClerx Investments (UK)Limited	-
9	Sintetik S.R.L.	Italy	100% subsidiary of CLX Europe S.P.A	-
10	CLX Europe Media Solution GmbH	Germany	100% subsidiary of CLX Europe S.P.A	-
11	CLX Europe Media Media Solution Limited	United Kingdom	100% subsidiary of CLX Europe Media Solution GmbH	-
12	CLX Thai Company Limited Media Solution Limited	Thailand	49% holding by CLX CLX Europe S.P.A*	-

*This is subsidiary for the purpose of consolidation as per Accounting Standard 21 "Consolidated financial statements"

24. During the year the Company has acquired the entire shareholding of CLX Europe S.P.A a joint stock company based in Italy effective April 22, 2015 through its overseas subsidiary eClerx Investments (UK) Limited for a consideration of Rs.1,252.14million resulting in Goodwill on consolidation of Rs.1,496.35million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

25. Auditors' Remuneration

(Rupees in million)

	Year ended March 31, 2016	Year ended March 31, 2015
As Auditor:		
Statutory Audit, Limited Review and Local GAAP Audit	15.49	6.29
In other capacity:		
Certification fees	0.40	0.22
Out of Pocket Expenses	0.37	0.20
Total	16.26	6.71

26. Share Application Money Pending Allotment

ESOP PLAN	Year ended March 31, 2016			Year ended March 31, 2015		
	Exercise price	No. of shares	Allotment Date	Exercise price	No. of shares	Allotment Date
2008	257.50	2,400	April 7, 2016	111.47	9,000	April 17, 2015
2008	517.70	1,333	April 7, 2016	343.33	1,000	April 17, 2015
2011	555.33	335	April 7, 2016			

27. Segment Reporting

The Group's primary segment is based on the nature of services provided which is data management, analytics solutions 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:

(Rupees in million)

Operational Revenues	Year ended March 31, 2016	Year ended March 31, 2015
United States of America	9,018.25	7,111.44
United Kingdom	1,245.01	553.54
Europe	2,410.16	1,387.79
Asia Pacific	469.74	368.43
Total Revenues	13,143.16	9,421.20

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

Segment-wise Assets	As at March 31, 2016	As at March 31, 2015
United States of America	2,510.74	2,147.34
United Kingdom	353.43	984.20
Europe	2,665.36	274.24
Asia Pacific	7,070.72	6,101.14
Unallocated	54.02	84.77
Total	12,654.27	9,591.69

(Rupees in million)

Segment-wise Addition to Fixed assets	Year ended March 31, 2016	Year ended March 31, 2015
United States of America	22.92	14.47
United Kingdom	13.94	9.27
Europe	1,681.55	-
Asia Pacific	448.75	589.34
Total	2,167.16	613.08

28. 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, 2016	As at March 31, 2015
Deferred Tax Assets		
Depreciation	3.07	6.54
Provision for gratuity	-	22.72
Provision for compensated absences	-	15.44
Provision for lease equalisation	-	9.36
Provision for bonus	12.47	15.68
Provision for foreign exchange losses	0.73	-
Provision for Bad Debt	0.33	-
Total	16.60	69.74

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
Depreciation	17.53	16.77
Prepaid Expenses	5.18	1.57
Provision for lease equalisation	(0.06)	(0.22)
Provision for foreign exchange losses	0.81	-
Total	23.46	18.12

The deferred tax assets pertained to Domestic Tariff Area units have been reversed due to lack of reasonable certainty of time frame by when the Company will pay normal income tax in the future periods

29. 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, 2016	Year ended March 31, 2015
Lease payments recognised in the consolidated statement of profit and loss	474.72	364.49
Future minimum lease payments for non-cancellable operating leases		
Not Later than one year	148.30	133.56
Later than one year, but not later than five years	101.78	239.42

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

30. CAPITAL AND OTHER COMMITMENTS

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16.90	52.20
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 (UK) Limited and the closing documents to effect the same acquisition were signed on April 21, 2015	-	1,687.75

31. 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. During the year the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 plan, however active options thereunder would continue to vest as per the respective terms.

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

	Year ended March 31, 2016		Year ended March 31, 2015	
	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	182,969	537.05	583,980	564.07
Adjusted for bonus*	20,750	-	-	-
Forfeited / cancelled	1	690.26	227,033	690.26
Exercised*	147,851	473.21	173,978	427.82
Balance as at the end of the year*	55,867	506.52	182,969	537.05
Exercisable at the end of the year	55,867	-	182,969	-

* During the year ended March 31, 2016 the Company has issued bonus shares in the ratio of 1:3 on December 18, 2015. The effect on the weighted average exercise price due to bonus issue has been consequently adjusted.

For options exercised during the period, the weighted average share price at the exercise date was Rs.1,613.31 per share (March 31, 2015 Rs.1,232.91).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 0.96 years (March 31, 2015: 1.54 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. 257.50 to Rs. 517.70 (March 31, 2015: 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.

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

	Year ended March 31, 2016		Year ended March 31, 2015	
	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	1,478,235	867.88	1,019,828	673.62
Adjusted for bonus*	560,498	-	-	-
Granted during the year	604,110	1595.00	618,288	1181.45
Forfeited / cancelled*	545,447	727.55	159,881	841.41
Exercised*	109,341	674.23	-	-
Balance as at the end of the year*	1,988,055	857.24	1,478,235	867.88
Exercisable at the end of the year	79,301	-	-	-

* During the year ended March 31, 2016 the Company has issued bonus shares in the ratio of 1:3 on December 18, 2015. The effect on the weighted average exercise price due to bonus issue has been consequently adjusted

For options exercised during the period, the weighted average share price at the exercise date was Rs 1,523.70 per share (March 31, 2015 Rs. Nil).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 3.98 years (March 31, 2015: 4.14 years). The average vesting period is 2.86 years and exercise period is 3 years. The range of exercise prices for options outstanding at the end of the year adjusted for bonus issue was Rs. 463.91 to Rs. 1,196.25 (March 31, 2015: Rs. 618.55 to Rs. 1,181.45).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

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, 2016	Year ended March 31, 2015
Net Profit after tax as reported	3,629.97	2,296.76
Add - Intrinsic Value Cost	(3.40)	(0.41)
Less - Fair Value Cost	64.95	66.34
Adjusted proforma Net Profit	3,561.62	2,230.01
Basic EPS as reported	89.28	56.87
Proforma Basic EPS	87.60	55.21
Diluted EPS as reported	87.35	55.60
Proforma Diluted EPS	86.03	54.15

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

ESOP 2011

Date of grant	May 25, 2015	May 20, 2014
Expected Volatility	31.00%	33.93%
Risk Free Interest Rate	7.72%	8.72%
Expected life of options granted in years	4.35	4.37
Dividend Yield	2.19%	2.96%

The weighted average fair value of stock options granted during the year was Rs. 504.87 (March 31, 2014 : Rs. 386.33).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

32. RELATED PARTY & KEY MANAGEMENT PERSONNEL INFORMATION

A. RELATED PARTIES & KEY MANAGEMENT PERSONNEL

Name of related party and related party relationship

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. VK Mundhra (Chairman)
2. PD 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, 2016	March 31, 2015	March 31, 2016	
1	Anjan Malik	Remuneration	Director	22.46	15.78	-	-
		Dividend		277.28	277.28	-	-
2	PD Mundhra	Remuneration	Executive Director	22.30	22.93	-	-
		Dividend	Director	277.13	277.13	-	-
3	V.K. Mundhra	Dividend	Director	1.13	1.13	-	-
4	Rohitash Gupta	Remuneration (including stock option gain)	Key Management Personnel	12.04	13.19	-	-
		Dividend		2.57	2.73	-	-
5	Gaurav Tongia	Remuneration (including stock option gain)	Key Management Personnel	3.20	3.06	-	-
		Dividend		0.03	0.02	-	-
6	Duncan Stratton & Company Limited	Rent	Common Director	0.06	0.06	-	-

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 Consolidated Financial Statements

for the year ended March 31, 2016

33. 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.

(Rupees in million)

		Year ended March 31, 2016	Year ended March 31, 2015
Profit after tax attributable to shareholders (Rupees in million)	A	3,629.97	2,296.76
Weighted average number of equity shares considered for computing basic EPS.*	B	40,657,929	40,388,449
Effect of Dilution			
Stock options grant under ESOP*		896,638	921,825
Weighted average number of equity shares considered for computing diluted EPS.*	C	41,554,567	4,131,075
Earnings per share (Rs.)			
- Basic	A/B	89.28	56.87
- Diluted	A/C	87.35	55.60
Nominal value of shares (Rs.)		10.00	10.00

* The shareholders of the Company, approved issue of Bonus Equity Shares in the ratio of 1:3 via postal ballot, result of which was announced on December 7, 2015. The weighted average number of equity shares has been restated for all periods presented to give effect of the Bonus Equity Shares approved by the shareholders.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

34. 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.

(Rupees in million)

Change in Defined Benefit Obligation	As at March 31, 2016	As at March 31, 2015
Opening Defined Benefit Obligation	124.16	85.73
Interest cost	8.64	7.99
Current service cost	19.24	26.60
Benefits paid by the employer	(0.18)	(0.57)
Benefits paid by the fund	(23.57)	(10.85)
Actuarial (gain) / loss	19.21	15.26
Closing Defined Benefit Obligation (A)	147.50	124.16

(Rupees in million)

Change in fair value of assets	As at March 31, 2016	As at March 31, 2015
Opening fair value of assets	3.57	6.00
Expected Return on plan assets	0.25	0.52
Contribution by employer	25.00	7.71
Benefits paid from the fund	(24.06)	(10.85)
Actuarial gain	0.00	0.19
Closing fair value of plan assets (B)	4.76	3.57
Liability as per Balance Sheet (A-B)	142.74	120.59

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

(Rupees in million)

Net Employee Benefit recognised in employee cost	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	19.24	26.60
Interest cost	8.64	7.99
Expected Return on plan assets	(0.25)	(0.52)
Actuarial (gain) / loss	19.21	15.07
Total included in employment expenses	46.84	49.13

(Rupees in million)

Principle Assumptions used in determining gratuity benefit obligation for the Group's plans are shown as below:	Year ended March 31, 2016	Year ended March 31, 2015
Actual return on Plan Assets	8%	9%
Financial assumptions at valuation date		
Discount rate	7.56%	7.99%
Rate of increase in compensation levels of covered employees	7%	7%
Expected rate of return on plan assets	7.56%	7.99%

Amount for the current and previous from periods are as follows:

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Gratuity					
Defined benefit obligation	147.50	124.16	85.73	78.42	48.82
Plan assets	4.76	3.57	6.00	3.17	1.83
Surplus / (deficit)	(142.74)	(120.59)	(79.73)	(75.25)	(46.99)
Experience adjustments on plan liabilities	(21.61)	(5.15)	(6.43)	4.26	(1.25)
Experience adjustments on plan assets	0.00	0.46	0.22	0.01	0.01

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

	March 31, 2016	March 31, 2015
Investments with insurer	100%	100%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

35. FORWARD CONTRACTS AND OPTIONS IN FOREIGN CURRENCIES

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

As at March 31, 2016					
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Amount (in INR)	Average Rate (INR)
Forward Contract to Sell	2016 - 17	USD	\$79.13	5,522.36	69.79
		Euro	€13.01	1,038.01	79.79
	2017- 18	USD	\$24.84	1,820.59	73.29
		Euro	€5.31	439.21	82.71

As at March 31, 2015					
Contract Type	Maturity Year (Financial Year)	Currency	Amount (in million)	Amount (in INR)	Average Rate (INR)
Forward Contract to Sell	2015 - 16	USD	\$75.90	5,055.54	66.61
		Euro	€8.42	729.82	86.68
	2016- 17	USD	\$25.10	1,722.65	68.65
		Euro	€3.54	294.87	83.30

As on the balance sheet date, the Group's net foreign currency exposure that is not hedged is Rs.3,263.32 million (P.Y. Rs. 2,871.89million).

36. The Company has deferred the recognition of cumulative Minimum Alternative Tax (MAT) credit of Rs.177.30 million as at March 31, 2015 (P.Y. Rs 326.39 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.

37. CSR EXPENDITURE

Gross amount required to be spent : Rs. 52.75 (P.Y. 47.88) million

Amount spent during Financial Year: Rs. 53.64 (P.Y. 47.92) million

(Rupees in million)

As at March 31, 2016			
CSR Activities	In Cash	Yet to be spent in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	53.64	-	53.64

(Rupees in million)

As at March 31, 2015			
CSR Activities	In Cash	Yet to be spent in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	47.92	-	47.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

38. CONTINGENT LIABILITIES

(Rupees in million)

	As at March 31, 2016	As at March 31, 2015
Guarantees given by the Company on behalf of various subsidiaries against credit card facilities (refer note a)	4.44	4.25
Income Tax demands (refer note b)	51.58	39.30
Indirect Tax demands	7.76	7.76

Notes:

- (a) The guarantee is for usage of Amex cards by subsidiaries of the Company. Amex cards are issued to employees of foreign subsidiaries which are used by them to incur expenses on travel, business promotion and other office expenses.

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. 13.20 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 and 2007-08. The Company has received demand amounting to Rs. 0.09 million for FY 2008-09 against which the Company got favourable order from Commissioner of Income Tax (Appeals). 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. 21.08 million for Financial Year 2009-10, 2010-11 & 2011-12 against which Company's subsidiary has filed appeal with Commissioner of Income Tax (Appeals).

- (c) Service Tax refund claims for the period October 2009 till March 2012 to the extent rejected by Commissioner of Central Excise (Appeals) for Rs.83.12 million is pending in appeals before CESTAT.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

39. 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.

40. SCHEME OF AMALGAMATION

The Board of Directors of eClerx Services Limited at their meeting held on September 11, 2015 have approved the Scheme of Amalgamation between Agilyst Consulting Private Limited and eClerx Services Limited and their respective shareholders (the "Scheme") which provides for the amalgamation of Agilyst Consulting Private Limited a step down subsidiary, with eClerx Services Limited ('the Company') under sections 391 to 394 and other applicable provisions, if any, of Companies Act, 1956 and the other relevant provisions of Companies Act, 2013. The Appointed date of the Scheme is April 1, 2015.

The Company has received the Observation letter from BSE Ltd. and the National Stock Exchange of India Limited conveying their no-objection in filing the Scheme with the Hon'ble High Court of Bombay ('High Court'). The Scheme of Amalgamation was filed by Agilyst Consulting Private Limited with the Hon'ble High Court. The High Court vide its order dated April 1, 2016, has dispensed with the requirement for filing a separate Company Summons for Direction and Company Scheme Petition under Section 391-394 of the Companies Act, 1956 for eClerx Services Limited and therefore there was no requirement for holding meetings of shareholders or creditors of the Company in this regard.

The Scheme is pending before the Hon'ble Court for approval and would be effective only once the order is received from Hon'ble High Court of Bombay and filed with the Registrar of Companies. Thereafter, the Scheme will be given effect to in the books of accounts of the Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2016

41. Additional information pursuant to the requirements of Schedule III of Companies Act, 2013, relating to subsidiary companies for the Financial Year 2015-16

(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	64.45%	9,530.81	104.28%	2,976.44
Subsidiaries				
Indian				
1 Agilyst Consulting Private Limited	1.78%	263.54	(0.09)%	(2.59)
Foreign				
1 eClerx LLC	0.92%	136.69	1.25%	35.78
2 eClerx Limited	1.01%	149.82	0.97%	27.60
3 eClerx Private Limited	0.18%	27.33	0.06%	1.96
4 Agilyst Inc	3.40%	502.74	5.41%	154.50
5 eClerx Investments Limited	4.75%	702.68	(15.72)%	(448.67)
6 eClerx Investments (UK) Limited	12.30%	1,818.51	1.49%	42.60
7 CLX Europe S.P.A	9.37%	1,385.78	1.75%	49.90
8 Sintetik S.R.L.	0.01%	0.33	(0.08)%	(2.39)
9 CLX Europe Media Solution GmbH	1.15%	169.92	0.47%	13.28
10 CLX Europe Media Solution Limited	0.58%	84.49	(0.04)%	(1.20)
11 CLX Thai Company Limited	0.08%	11.43	0.16%	4.55
Minority Interest				
Foreign CLX Thai Company Limited	0.02%	3.38	0.09%	2.49
TOTAL	100.00%	14,787.44	100.00%	2,854.26

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

42. Previous year figures have been regrouped/reclassified wherever necessary to conform with the current year's presentation.

As per our report of even date
For S. R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101049W/E300004

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

per Amit Majmudar
 Partner
 Membership Number: 36656
 Place : Mumbai
 Date : May 20, 2016

V.K. Mundhra
 Chairman

PD 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 Sixteenth Annual General Meeting (AGM) of the Members of eClerx Services Limited ('the Company') will be held on Wednesday, July 13, 2016 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, 2016, 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, 2016, together with the Reports of the Auditors thereon.
2. To declare dividend for the year ended March 31, 2016 amounting to Re. 1/- per share.
3. To appoint a Director in place of Mr. Anjan Malik, [DIN:01698542] 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 authorise the Board of Directors (including Audit Committee) to fix their remuneration, and if thought fit, 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

Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable regulations, pursuant to the recommendation of the Audit Committee and Board of Directors, 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/E300004 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."

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

Date: May 20, 2016
Place: Mumbai

Gaurav Tongia
Company Secretary

Registered Office:
Sonawala Building,
1st Floor, 29 Bank Street,
Fort, Mumbai - 400 023,
Maharashtra, India.
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 ON POLL, 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, stamped, signed and should be lodged with Company at its registered office atleast 48 hours before the commencement of the meeting. Proxies submitted on behalf of body corporates, companies, societies, etc. must be supported by an appropriate resolution/ authority, as applicable.

A Person appointed as a proxy shall act on behalf of such number of member(s) not exceeding fifty and holding in the aggregate not more than ten percent 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.

Proxies should bring the attendance slips duly filled in for attending the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 7, 2016 to Wednesday, July 13, 2016 (both days inclusive) for the purpose of Sixteenth AGM and for payment of dividend for the financial year ended March 31, 2016.
4. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable provisions, brief profile(s) of the Director (s) who is proposed to be appointed/re-appointed is annexed hereto.
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 AGM. Their appointment is subject to annual ratification at the AGM. They have confirmed that they are eligible to be appointed as per the provisions of the Companies Act, 2013 and that their appointment would be within the limits prescribed under the Companies Act, 2013.
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 other applicable regulations, if any, and in accordance with the resolutions passed by the Company in the earlier General Meeting(s) will be available for inspection by the Members at the AGM.
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 and at venue of the AGM.
8. Statutory Registers maintained pursuant to the provisions of the Companies Act, 2013, will be accordingly available for inspection by the Members at the AGM.
9. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and the Listing Regulations, the Company is pleased to provide the

facility to Members to exercise their right to vote by electronic means ('Remote e-voting') for all business specified in the accompanying Notice. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, July 6, 2016, i.e. the cut-off date are entitled to vote on the Resolution(s) set forth in this Notice. The Remote e-voting period will commence at 9.00 a.m. on Saturday, July 9, 2016 and will end at 5.00 p.m. on Tuesday, July 12, 2016. The facility for voting through ballot paper 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 through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

10. The Company has appointed Ms. Dipti Mehta, (Membership No.FCS 3667) and failing her Mr. Anshul Jain, (Membership No.FCS 5547), Practising Company Secretaries of M/s. Mehta & Mehta 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 a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.

- (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by Folio number. In case of Demat account, User ID will be your DP ID and Client 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 these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and 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.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., 'eClerx Services Limited'.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and

partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

(viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

(ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

(x) You may then cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email Evoting@mehta-mehta.com with a copy marked to evoting@karvy.com. 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 Notice [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

- i E-Voting Event Number – XXXX (EVEN), User ID and 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 Sl. No. (i) to (xii) above to cast your vote by electronic means.

II. The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM venue. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM venue. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM venue shall be treated as invalid.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: eClerx Services Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda,

Hyderabad - 500 032, Andhra Pradesh, India. or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800- 3454- 001 for any further clarifications.

- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The remote e-voting period commences on Saturday, July 9, 2016 (9.00 a.m. IST) and ends on Tuesday, July 12, 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, July 6, 2016, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast their vote again.
- VI. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, July 6, 2016.
- VII. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Wednesday, July 6, 2016, he/she may obtain the User ID and Password in the manner as mentioned below :

- 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→ E-voting 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→
XXX1234567890

- b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the homepage 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. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- IX. The results shall be declared on or after the AGM. The results along with the requisite enclosures etc. shall be placed on the website of the Company and will also be forwarded simultaneously to BSE Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
11. Members are requested to:
- a. produce the duly filled-in attendance slip, provided along with this Annual Report; Members who hold shares in dematerialized form are requested to quote their DP ID and Client ID and those who hold share(s) in physical form are requested to quote their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
- b. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require

communication in physical form in addition to e-communication, or have any other queries, may write to the Company at: einward.ris@karvy.com

- c. send their queries, if any, on the operations of the Company, which shall 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
 - d. 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 18, 2016, 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.
 13. Members who wish to claim their dividend(s) 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, Unit: eClerx Services Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Andhra Pradesh, India or write to the Company at its Registered office. Members are requested to note that, pursuant to Section 205A of the Companies Act, 1956 [Section 124 of the Companies Act, 2013] and Rule thereunder, dividend(s) 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.
14. i. In case the shares are held in physical form, all transfer deeds, requests for change of address, bank particulars/mandates/NECS mandates, PAN, registration of email id for receiving electronic communication from the Company/RTA 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 – 500 032, Andhra Pradesh, India before the book closure.
 - ii. 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 dividend(s).
15. 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.
 16. 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.

Annexure to the AGM Notice

Information regarding Director(s) seeking appointment / re-appointment at the Sixteenth Annual General Meeting (Pursuant to Clause 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable regulations)

Item No. 3

Name	Anjan Malik	
DIN	01698542	
Age	46 years	
Profession	Business Executive	
Qualification	Bachelors Degree in Physics, with honours from the Imperial College of Science and Technology, London (UK) and a Masters of Business Administration degree in Finance from the Wharton School of Pennsylvania (USA)	
Date of first appointment on the Board	May 10, 2000	
Expertise in specific functional area and experience	Mr. Anjan Malik, is a Co-founder and Director of eClerx Services Limited and the Executive Director of its on-shore subsidiaries. He has over 25 years of experience across consulting, investment banking and knowledge process outsourcing. He has worked with Accenture in Europe and Lehman Brothers in the US before starting eClerx, with Mr. PD Mundhra, in 2000.	
Remuneration details	No remuneration had been paid, by the Company, during FY 2015-16. However as stated in Notes to Accounts he was paid Rs. 22.46 million from eClerx Limited, (U.K.), wholly owned subsidiary of the Company, during FY 2015-16.	
Relationship with other directors and Key Managerial Personnel of the Company	N.A.	
Directorships held in other Companies	NIL	
Memberships/Chairmanships 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 8	No. of meetings attended 6
	Mr. Anjan Malik, could not attend two board meetings during the year, due to other prior/unavoidable commitments.	
Shares held in the Company as on the Date of Notice	10,229,666 equity shares of Rs. 10/- each (25.06%)	

PROXY FORM

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



CIN: L72200MH2000PLC125319

Registered Office: 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 E-mail: investor@eClerx.com Website: www.eClerx.com

16th Annual General Meeting - Wednesday, July 13, 2016

Name of the Member(s)	<input style="width: 80%;" type="text"/>
Registered address	<input style="width: 80%;" type="text"/>
E-mail ID	<input style="width: 80%;" type="text"/>
Folio No./ Client ID	<input style="width: 80%;" type="text"/>
DP ID	<input style="width: 80%;" type="text"/>

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

Name :

Address :

E-mail Id :

Signature :

or failing him/her

Name :

Address :

E-mail Id :

Signature :

or failing him/her

Name :

Address :

E-mail Id :

Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company, to be held on the 13th day of July, 2016 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 overleaf:

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, 2016, 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, 2016, together with the Reports of the Auditors thereon.			
2	To declare dividend for the year ended March 31, 2016 amounting to Re. 1/- per share.			
3	To appoint a Director in place of Anjan Malik, [DIN: 01698542], 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.			

Signed this _____ day of _____ 2016

.....
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.

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SAMPARC Site Visit, Lonavala



Marathon 2016



Be a Santa Activity



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eClerx Services Limited

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