eClerx

ANNUAL REPORT
2018-19

www.eClerx.com
A Data Analytics and
Process Management Company

IN THIS YEAR'S REPORT

Recycled Paper Used For Statutory Reports & Financial Statements.

WHO WE ARE

ECLERX IS ONE OF INDIA'S LEADING **PROCESS MANAGEMENT** AND **DATA ANALYTICS** COMPANIES

eClerx provides critical business operations services to over fifty global Fortune 500 clients, including some of the world's leading companies across financial services, cable & telecom, retail, fashion, media & entertainment, manufacturing, travel & leisure, software and high-tech.

Incorporated in 2000, eClerx was the first Knowledge Process Outsourcing firm to get listed and is today traded on recognised Stock exchanges of India, which are BSE and NSE. eClerx employs more than 9,500 people across its global sites in the US, UK, India, Italy, Germany, Singapore, Thailand.

Offices in the US, UK, India, Europe & Singapore

9,500+ Analysts, Project Managers, Specialists, and Consultants Across the Globe

50+ Fortune 500 Companies Served Globally

201MM in Revenue across Financial Markets, Digital, and Customer Operations

OUR VALUES

EXCELLENCE

Be passionate and commit to doing your best.

Excellence is a journey – we achieve our goals by constantly improving, innovating and applying the highest standards.

PEOPLE

Invest in people and bring out the best in them.

We care deeply about our people – we encourage learning, promote growth and celebrate diversity.

INTEGRITY

Maintain the highest standards of ethics, integrity and fairness.

We are thoughtful, honest and empathetic in our interactions with clients, vendors, shareholders and each other.

CLIENT

Make clients the focus of what you do.

Our clients' success is our goal – everything we do keeps their best interest at the forefront.

WHAT WE DO

CUSTOMER OPERATIONS

eClerx Customer Operations specializes in providing operational expertise and process excellence throughout the customer journey. We create solutions and services, utilising a blend of technology and domain knowledge that support our clients' evolving needs. Our suite of offerings enhances the customer experience by providing quality monitoring/insights, advanced analytics, automation, superior technical operations support, and digital care services. We assist companies in developing, implementing, and operating multichannel customer interaction capabilities – transforming everyday touch-points into a superior customer experience.

Operations Support | Technology Solutions | Data Analytics and Reporting | Customer Experience | Consulting Services

DIGITAL

eClerx Digital is the trusted partner of choice to the world's largest global brands for creative production, eCommerce / web operations, and analytics & insights services. We improve profitability for their digital businesses. Our team of 3000+ full-time digital delivery employees at our five production hubs in Mumbai, Pune, Chandigarh, Verona, and Phuket apply deep digital expertise to effectively support the most demanding global clients utilising a follow the sun delivery model. eClerx Digital's innovative delivery model drives the "metrics that matter" for our clients: improved acquisition, conversion and retention, and overall lifetime value of your customer 24x7x365.

Data Management | Analytics & Insights | Digital Marketing Operations | Creative Services

FINANCIAL MARKETS

For financial organizations across the world, eClerx Markets offers consulting, technological innovation, and process management expertise to uniquely solve operational challenges. With nearly two decades of industry experience complemented by the application of smart automation and robotics, our team of experts delivers holistic solutions across the trade lifecycle, change management, settlements and clearing, asset servicing, data and analytics, as well as the client lifecycle.

Derivative Trade Support | Cash Securities Operations | Regulatory Compliance and Data | Document Management | Analytics | Technology Products

AWARDS AND RECOGNITIONS

2019

eClerx was named the
winner of two Stevie® Awards in the sixth annual Asia-Pacific Stevie® Awards

eClerx's In-house R&D unit
recognised by DSIR, Govt of India

2018

Won the
2018 Brandon Hall Group Excellence Awards in Learning and Development

eClerx's 'eVigilPRO' recieved the
Prestigious 2018 CSO50 Award

Won the
Golden Peacock Awards, 2018 for Quality

eClerx's Chatbot Solution Won
Prestigious NASSCOM Award for IT Excellence

2017

Won the
NetApp Innovation Awards, 2017

eVigilPRO was recognised by
DataQuest Vertical Warrior Award 2017

eClerx won Bronze at ASQ's (American Society for Quality)
SATEA (South Asia Team Excellence Award)

eClerx emerged runner-up in the
Process Improvement category of the QualTech Prize 2017, organized by QIMPRO

OUR LOCATIONS

Maps are not to scale and show approximate locations only.

REGISTERED OFFICE

eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor
29 Bank Street, Fort
Mumbai – 400 023
Maharashtra, India
Phone: +91 (022) 6614 8301
Fax: +91 (022) 6614 8655
E-mail: investor@eClerx.com
Website: www.eClerx.com

CORPORATE OFFICE

eClerx Services Limited
4th Floor, Express Tower
Nariman Point
Mumbai – 400 021.
Maharashtra, India.
Phone: +91 (022) 6614 8300

GLOBAL OFFICES

USA

286 Madison Avenue, 14th Floor
New York, NY 10017
United States of America
Phone: +1 212 551 4150

12708 Riata Vista Circle,
Suite A-116
Austin, TX 78727
United States of America

1880 John F Kennedy Blvd,
Suite 400
Philadelphia, PA 19103
United States of America
Phone: +1 267-488-8750

235 N McPherson Church Road,
Suite 202
Fayetteville, NC 28303
United States of America

UK

1 Dover Street, 1st floor
London, W1S 4LA
United Kingdom
Phone: +44 (0) 207 529 6000

Germany

eClerx CLX, Barmbeker Str.8
22303 Hamburg
Germany
Phone: +49 40 5247 040-60
Fax: +49 (0)40 5247040-8

Italy

eClerx CLX, Via dell'Artigianato, 8A
37135 Verona
Italy
Phone:+39 045 8294 999
Fax: +39 045 8294 944

eClerx CLX, Via Donatello, 30
20131 Milano
Italy
Phone: +39 02 36 567 195
Fax: +39 02 36 569 007

Singapore

152 Beach Road, #14-05/06
Gateway East
Singapore 189721
Phone: +65 (0) 6225 2988

Thailand

eClerx CLX, Chaofa Rd, Palai Soi 2 44
Moo Chalong, Sub-District Muang
Phuket
Thailand
Phone: +66 76 380653

India

Building # 11, 4th, 5th & 6th Floor,
K Raheja Mindspace, Plot #3, TTC
Industrial Area, Thane Belapur Road,
Airoli, Navi Mumbai – 400 708
Maharashtra, India
Phone:+91 (022) 41832777
Fax: +91 (022) 41943292

Building #14, 4th & 5th Floor,
K Raheja Mindspace, Plot #3,
TTC Industrial Area, Thane Belapur Road,
Airoli, Navi Mumbai – 400 708
Maharashtra, India
Phone:+91 (022) 6114 1555
Fax : +91 (022) 6114 1333
+91 (022) 4183 1333

Block 1, LG, 1st, 2nd, 3rd Floor Wing A &
4th floor Wing A & B,
Quadron Business Park,
Rajiv Gandhi Infotech Park
Hinjewadi Phase 2
Pune -411 057
Maharashtra, India
Phone: +91 (020) 4027 7990
Fax: +91 (020) 6676 4480

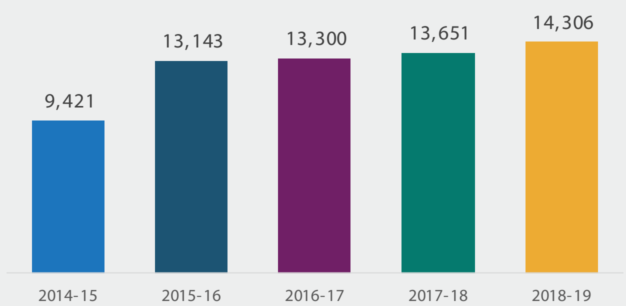
1st and 2nd Floor, Towers A & B
DLF Info City Developer
Rajiv Gandhi Chandigarh Technology Park,
Kishangarh
Chandigarh – 160 101,
India
Phone: +91 (172) 6633600
Fax: +91 (172) 6633 623

FINANCIAL HIGHLIGHTS

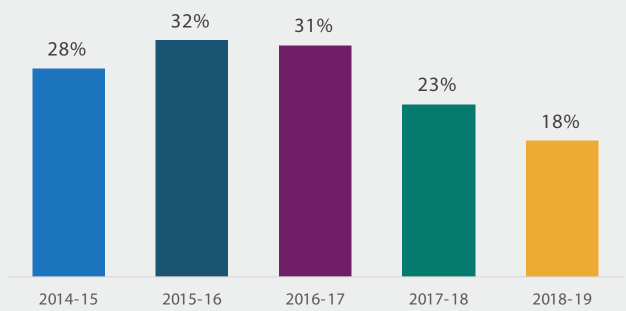
(Rupees in Million)

PARTICULARS	2014-15	2015-16	2016-17	2017-18	2018-19
Income from Operations	9,421.20	13,143.16	13,300.33	13,650.62	14,305.93
Other Income	323.52	369.46	282.00	402.31	485.92
Earnings Before Interest, Depreciation, Taxes and Amortisation	3,479.56	5,168.20	4,876.54	4,065.45	3,562.05
Tax Expenses	682.58	1,184.97	819.03	895.80	831.73
Profit After Tax	2,296.76	3,414.95	3,540.27	2,899.84	2,282.63
Equity Share Capital	303.51	407.89	397.10	381.41	377.90
Reserves	8,144.43	10,519.49	11,756.41	11,666.05	13,435.08

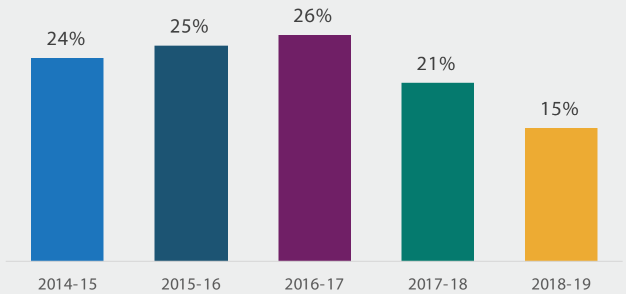
OPERATING REVENUE
(₹ IN MILLION)



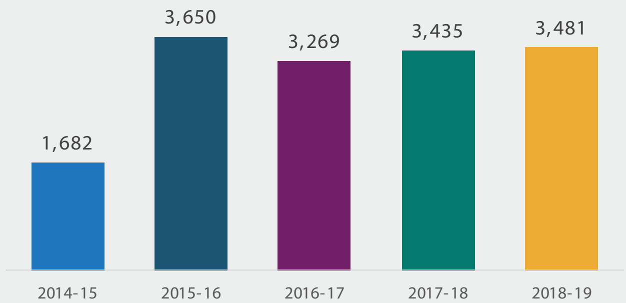
OPERATING MARGIN
(%)



PROFIT AFTER TAX
(%)



FIXED ASSETS
(₹ IN MILLION)



CHAIRMAN'S MESSAGE

Year in Review

eClerx completed FY 2019 with USD 201mm in revenue – its highest ever. Whilst we continued our trajectory of growth, operating profit declined for the year to INR 263cr as an increasing portion of our business shifted toward high-cost locations. Overall sales for the firm – new contracts and orders – were up 8% whilst contract roll-offs reduced by 19% over the prior year. This provides good revenue momentum going into FY 2020. Our top ten client concentration decreased for the first time below 70%, and our over $5mm client list increased to 7. Our Emerging client portfolio showed significantly higher growth over our top ten clients.

Our strategy to be a differentiated and niche service provider helped us in an uncertain demand background in 2019. eClerxMarkets saw growth in its data and compliance practice on the back of a number of onshore and managed service engagements embedding our platforms and technology capabilities. We fared well against competitors and the captives, adding two large banking clients.

eClerxCustomerOperations further grew its onshore footprint by adding a new customer in a new line of business. This was founded on excellent delivery – notable given the firm's relative lack of experience in running US delivery. We also won a large new client for technical operations services for offshore delivery with revenues to start in mid next year. eClerxDigital offset some reduction in its traditional content management business with growth in advanced creative, analytics, and RPA services. We saw good growth in Asia – typically a very competitive market - and in Europe, where we grew by selling large deals to two new multinational clients. Overall, we were able to improve pricing on our portfolio of services as well as increase the size of individual deals sold in the year – a testament to the quality and relevance of our services.

Onshore, Analytics and Technology

Our onshore consulting businesses saw double-digit percentage growth, driven by analytics. Helped by growth at our acquired businesses - CLX and 24 Consulting - our ex-India business grew to just under ten percent of our employee base and a quarter of our revenue. As complexity of business needs increased, this onshore presence allowed us to move into more critical, stickier services requiring greater client interaction, technology, and analytics. It also allowed us to win substantial new engagements – delivered concurrently from both onshore and offshore – that we otherwise would not have been able to win.

Technology played a more central role at eClerx in 2019. We sold advanced technology projects during the year, including machine learning and robotics process automation services to new clients. We had great success with selling services embedding our platforms – notably Compliance Manager, DocIntel, eCube and Fluid4 – and an increasing percentage of our engagements moved towards the managed service model. We continued with senior technology hires – including our Financial Markets Managing Principal - and on our path of partnerships with product companies. Notably, the Department of Scientific and Industrial Research of the Government of India, after exhaustive diligence, gave formal recognition this year to our research & development efforts in areas like big data, analytics, machine learning & robotic process automation. This is probably a first for a BPO/KPO, a significant honour and a vindication of our strategy of making technology core to our services.

We have no doubt that our focus on onshore, analytics, and technology remains key to differentiation, relevance, stickiness, and long-term value for eClerx.

Our People

We are today a diverse family of almost 10,000 people representing twenty nationalities working from over 20 cities in the world and we remain as deeply committed to investing in all our people as ever.

In 2019, we launched our EPIC values campaign to emphasize the importance of our four fundamental principles – a focus on Excellence, living with high Integrity, empowering all our People and keeping our Clients' success top-most of mind. Every week, we showcase individuals that demonstrate success by imbibing these values in their daily work, and the campaign has proven to be motivational and inspiring.
We focused on hiring and development of special skills such as analytics, advanced automation and complex financial products. We increased recruiting from targeted colleges and broadened our industry-leading Skill and Hire Program offering the college-leaving community an opportunity to increase employability in high demand areas. This has also proved an excellent testing and recruiting channel for eClerx. We launched new rewards and recognition programs to account for the firm's diverse skill-type requirement and implemented a number of firm wide initiatives to improve employee engagement. We invested in new technologies to deliver and monitor more personalised training, including more comprehensive leadership training. Onshore, we hired

a new leader to run all HR and recruiting and to oversee the increasingly complex portfolio of onshore locations and businesses supported. We are happy to report good results on the back of these initiatives. Employee satisfaction as measured by third-party surveys improved over the course of the year, and attrition at the management levels appreciably reduced. No doubt, this will be an area of considerable focus in 2020 as well.

Firm-wide Efficiency

We are proud of being a prudent firm focused on long-term shareholder return, and value our reputation as a firm with the highest level of corporate governance in India. In 2019, we continued with initiatives to help us be better, with a particular focus this year on firm-wide efficiency.

We rationalised our corporate structure by subsuming one Italian subsidiary thereby reducing overheads and cost. In the context of a challenging margin year, we implemented a number of initiatives to improve focus on margin. These included processes and technologies to allow better cost reporting and management across payroll, infrastructure, third-party services, and travel and expenses. We also pivoted an increasing number of internal performance targets towards margin. We expect these initiatives to have a margin impact over the medium term.

We launched our new facility in Pune to consolidate our offices there, to provide additional growth capacity and create a new state-of-the-art work environment for our large Pune family. We also added to our facility in North Carolina to provide growth capacity. Both provide better economies of scale and capital efficiency for the firm.

We continued our established methodology of returning excess capital to shareholders by announcing our third buyback towards the end of the year. Notably, the independent Employee Stockholder Option Plan trust met its ownership targets – this will limit further share issuance to meet ESOPs exercises and hence minimise further dilution, a significant consideration for all shareholders.

Corporate Responsibility

Firms such as ours can have a significant impact on the environment, local community, and society, and we are committed to exercising our responsibilities thoughtfully and purposefully. This year we launched energy savings initiatives such as moving to motion sensing LED lighting, energy efficient climate control, and reducing computing infrastructure needs by twenty percent through better design. We leveraged image recognition technologies towards our paperless office efforts, and digitised invoice and expense submission processes to help reduce waste, to create more space and lower environmental cost.

Last year we consolidated our CSR efforts into high-impact programs such as our Lonavla program impacting over a thousand tribal families, and stakeholder engagement programs to maximise our impact in the areas of education and skills for employment, with an aim of developing sustainability within the organizations we support. We focused on employee engagement by providing opportunities for our employees to participate in volunteering efforts such as teaching computer skills and career counselling for students from marginalized sectors of society, such as those from shelter homes. We have been able to provide more than 18,000 hours of volunteering efforts by our employees. We also contributed to causes of national importance such as the Kerala flood relief. We have been able to positively impact more than 20,000 lives through our endeavours, and we are proud of the difference that our CSR initiatives make to the societies we live in.

Awards and Recognitions

The industry recognised our work. eClerxDigital won two Asia Pacific Stevie awards - a Gold award for 'Innovation E-commerce' and a Silver award for 'Innovative Use of Technology in Customer Service'. Customer Operations won e-care partner of the year at its largest customer. CSO50 of the IDG Group recognised eVigil Pro, our centralized security monitoring application as a leading product in its segment. Our Virtual Assistants technology won recognition and awards from NASSCOM and CIO100 forum. Our People function won the National Golden Peacock award for Quality for the second consecutive year and the prestigious Brandon Hall Awards for Excellence in Learning and Development. It is gratifying when our clients and industry recognise us for the differentiated value we bring.

Navigating Change

Our business is in the midst of a deliberate transformation that has needed - and will continue to need – investments from us. From being an all-India delivery Knowledge Process Outsourcer reliant on a handful of clients and service lines, we are changing to become more technology-centric process management and data analytics company. We service today several hundred clients across many functions, from locations across the world, with a fantastic, global management team. We are aware that this transformation has meant lower profitability and growth in the recent past than shareholders have been otherwise accustomed to, but we believe this transformation to be key to our long-term future, and to shareholder returns.

Each year, we improve processes, systems, culture and capabilities to be a better firm than we were the year prior, and 2019 was another such year. With our great people, our client portfolio, our capabilities, and hunger to do better, we are confident of our future.

We thank you for your belief in us and for your ongoing support.

Sincerely,

Pradeep Kapoor

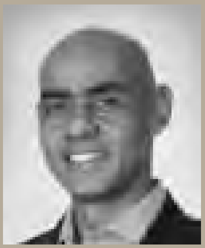
Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Pradeep Kapoor
Chairman &
Non-Executive
Independent Director

PD Mundhra
Executive Director



Anjan Malik
Non-Executive Director

Anish Ghoshal
Non-Executive
Independent Director

Biren Gabhawala
Non-Executive
Independent Director

Alok Goyal
Non-Executive
Independent Director

Deepa Kapoor
Non-Executive
Independent Director

Shailesh Kekre
Non-Executive
Independent Director

AUDITORS

Statutory

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

Internal

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

Pratik Bhanushali

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

BANKS

- Bank of India
- Citibank N.A.
- DBS Bank Limited
- Kotak Mahindra Bank Ltd.
- Standard Chartered Bank
- YES Bank Limited
- IDFC FIRST Bank Limited

ESG INITIATIVES

eClerx has been focussed on good corporate governance since its inception. As we saw success in our business, each year we have increased our efforts on giving more back to society than what we take from it. eClerx has now started on its journey towards implementing a consolidated ESG (Environmental, Social, Governance) framework. The group of volunteering employees leading these ESG initiatives will find ways to improve what we have done till today and find new avenues to achieve our goal towards increasing the give back to the environment and society while sticking to our uncompromising standards towards governance and cost prudence.

Below infographic and table represents our initiatives and baseline measurement on various Environmental and social metrics that we will track and improve in future.

Electricity Consumption
4
Units Per Day
Per Used Seat

Paper Consumption
<12g
Per Employee
Per Day

Non-Drinking Water Consumption
<31L
Per Employee
Per Day

Energy Efficient LED usage
100%

Gender Diversity increased to
31.4%

Lives touched through CSR
22,671

Employee volunteer hours for CSR
18,879

Paper Based Investors Communication reduced from 34% to
22%

WATER PRESERVATION

- Activities in horti operations like sprinkler and deep irrigation, mulcting etc.
- Treated water usage in gardens, flushes and HVAC cooling tower
- Rain water harvesting
- Installation of censor taps to minimise water wastage
- Water sensors and waterless urinals

GREEN BUILDINGS

- STP in all buildings
- Leed Platinum certified
- Gold Shield Green certified

CARBON FOOTPRINT

- Deployment of PUC compliant and CNG vehicles in transport
- Work from home
- Video conference for all
- Guest houses close to offices

ENERGY USE

- LED lighting with motion sensors
- Energy efficient UPS
- Energy efficient AC/chilers
- Air curtains for better energy efficiency

LIFE ON LAND

- Sparrow conservation activities
- Butterfly garden
- Seed ball
- Moss wall

NATURE PRESERVATION

- Digital training/library, invoices/payments
- Usage of eco friendly dustbin liners
- Environmental testing on regular intervals

CORPORATE GOVERNANCE

- Board and committees composed almost entirely of independent non-executive directors
- Women independent director since 2014
- Contributing profits for CSR since 2007

WASTE MANAGEMENT

- Hazardous waste disposal through authorised recyclers
- e-waste disposal through government approved vendors (MPCB)
- Segregation of dry and wet waste

SAFETY/ HEALTH

- Eco friendly chemicals used in housekeeping operations
- In-house counsellor and health checkups
- Ambient air quality monitoring, ambient noise testing, water testing, soil testing, etc.

ECLERX CARES

CORPORATE SOCIAL RESPONSIBILITY

In today's times, the role of Corporate Social Responsibility (CSR) is becoming essential as forward-thinking, socially conscious companies embed initiatives in their business practices that add value and benefit society. CSR is now being looked at as a concept different from pure philanthropy and more in tune with a strategic intervention that ultimately benefits the industry itself and gives back to the society.

As good corporate citizens, we feel responsible to actively contribute our best efforts to enhance the lives in our society. With eClerx's longstanding commitment to social welfare, we are determined to help create a better society through its CSR arm, eClerx Cares. This year, under the leadership of Deepa Kapoor, Non-Executive Independent Director of the Company, we have touched more than 30,000 lives through our direct funding projects and employee - engagement activities.

Tata Mumbai Marathon 2019

NGO meetup – Jyoti Sarup Kanya Asra Society and Shanti Niketan Children's Home Subathu, Chandigarh

eClerx cares

eClerx Corporate Citizenship

Library Inauguration at Snehaylaya, Ahmednagar

Fun day spent with students supported by Aatmaja Foundation, Pune

NOTICE

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting (AGM) of the Members of eClerx Services Limited ('the Company') will be held on Thursday, August 29, 2019 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, 2019, 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, 2019, together with the Reports of the Auditors thereon.

2. To declare dividend for the year ended March 31, 2019 amounting to ₹ 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 re-appoint Statutory Auditors of the Company and fix their remuneration, and if thought fit, to pass the following resolution as an **Ordinary Resolution(s):**

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation made by the Audit Committee and the Board of Directors (hereinafter referred as 'the Board'), M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration Number: 101049W/E300004), Mumbai, who have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013, and Rules made thereunder, be and are hereby appointed as the Statutory Auditors of the Company for a second term of 5 (Five) consecutive years starting from the conclusion of the 19th Annual General Meeting until the conclusion of the 24th Annual General Meeting of the Company, at such remuneration as the Board may deem fit.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

SPECIAL BUSINESS:

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

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

"RESOLVED THAT in supersession of earlier resolution(s) dated July 17, 2015 passed for this purpose, and pursuant to Section 197, Rules made thereunder and all other applicable provisions, if any, of Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the laws prevailing for the time being and subject to the approval of the Central Government, if applicable and required and such alterations and modifications, if any, that may be effected pursuant to any change in policies, Acts or Laws, Guidelines, Rules and Regulations relating to Managerial Remuneration or in response to any application(s) for review and reconsideration submitted by the Company in that behalf to the concerned authorities, if any, the consent of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as 'the Board' which term shall be deemed to include any Committee, including Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), for making payment of remuneration by way of commission to Non-Executive Independent Directors of the Company, an aggregate sum not exceeding 1% of net profit of the Company for the respective financial year, as calculated, *inter-alia*, in accordance with the provisions of Section 198 of the Act, subject to a limit of ₹ 22,50,000/- (Rupees Twenty Two Lakhs Fifty Thousand only) per annum per Non-Executive Independent Director in addition to the fees payable to them for attending the meeting(s) of Board of Directors of the Company or any Committee(s) thereof, besides reimbursement of actual expenses for attending the same, as permitted.

RESOLVED FURTHER THAT subject to the provisions of the Act and/or any other Rules, Regulations and legislations present and future as are/may become applicable, the Board be and is hereby authorised to define the process and periodicity pertaining to such payment provided the total aggregate remuneration to the Non-Executive Independent Directors will not exceed the limits as aforesaid for the respective financial year in conformity with the provisions of the Rules, Regulations, legislations, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

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

6. To consider and approve the re-appointment of Mr. PD Mundhra (DIN: 00281165) as Whole-Time Director for a period of 5 (Five) Years, effective from April 1, 2020.

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V to the Act and the laws prevailing for the time being and subject to the approval of the Central Government, if applicable and required, and such alterations and modifications, if any, that may be effected pursuant to any change in policies, Acts or Laws, Guidelines, Rules and Regulations relating to Managerial Remuneration or in response to any application(s) for review and reconsideration submitted by the Company in that behalf to the concerned authorities, if any, the consent of the Company be and is hereby accorded for re-appointment of Mr. PD Mundhra (DIN: 00281165) as Whole-Time Director designated as Executive Director (ED) of the Company for the period of 5 (Five) years, from April 1, 2020 to March 31, 2025, upon the terms and conditions set out in the explanatory statement annexed to this Notice.

   RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorised to alter and vary the terms and conditions of the said re-appointment, remuneration and/or agreement in such manner and to such extent as may be agreed between the Board of Directors and Executive Director so as not to exceed the limits specified in Schedule V to the Act including any amendments thereto.

   RESOLVED FURTHER THAT where in any financial year the Company has no profits or its profits are inadequate, the Company do pay to Mr. PD Mundhra, remuneration as specified above by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule V to the Act (including any amendment or re-enactment(s) thereof).

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

By Order of the Board
For eClerx Services Limited

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Place: Mumbai
Date: May 23, 2019

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(IES) 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. Proxies should bring the attendance slips duly filled in along with their identity proofs for attending the meeting.

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

2. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

3. The Annual Report of the company and other documents sent through e-mail are also available on the Company's website www.eclerx.com.

4. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), it is mandatory to furnish a copy of PAN card to the Company or its Registrar and Share Transfer Agent (RTA) in the following cases

viz. transfer of shares, deletion of name and transmission of shares and transposition of shares.

5. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically by sending an e-mail to the RTA or the Company in case they hold shares in physical form, and Members holding shares in dematerialized form are requested to register their e-mail address with respective Depository Participant(s).

6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, August 23, 2019 to Thursday, August 29, 2019 (both days inclusive) for the purpose of 19th Annual General meeting and for payment of Dividend for the financial year ended March 31, 2019.

7. Pursuant to Regulation 36(3) of the Listing Regulations, and other applicable provisions, brief profile(s) of the Directors who are proposed to be appointed/re-appointed is annexed hereto.

8. 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.

9. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. to 6.00 p.m. up to the date of AGM and at the venue of AGM during AGM.

10. Statutory Registers maintained pursuant to the provisions of the Companies Act, 2013 read with Rules framed thereunder ('the Act') will be available for inspection by the Members at the AGM in compliance with the Act.

11. Pursuant to Section 108 of the Act and 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 Thursday, August 22, 2019, 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. (IST) on Monday, August 26, 2019 and will end at 5.00 p.m. (IST) on Wednesday, August 28, 2019. The facility for voting through ballot will be also made available at the AGM and Members attending the AGM and who have not already cast their vote by Remote e-voting, will be able to exercise their right at the AGM. 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 via ballot.

12. The Company has appointed Ms. Ashwini Inamdar, (Membership No. FCS 9409) and failing her Mr. Atul Mehta (Membership No. FCS 5782) 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.

13. Procedure for Remote e-voting:

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

I. In case of Members receiving an e-mail from Karvy [for Member whose e-mail 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, e-mail 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 e-mail evoting@mehta-mehta.com with a copy marked to evoting@karvy.com and investor@eclerx.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

II. In case of Members receiving physical copy of Notice [for Members whose e-mail 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 Sr. No. (i) to Sr. No. (xii) above, to cast your vote by electronic means.

III. 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.

IV. 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 Evoting 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 Fintech Private Limited (formerly Karvy Computershare Private Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Hyderabad - 500 032, Telangana, 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.

V. 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).

VI. The Remote e-voting period commences on Monday, August 26, 2019 (9.00 a.m. IST) and ends on Wednesday, August 28, 2019 (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 Thursday, August 22, 2019, 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.

VII. 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. Thursday, August 22, 2019.

VIII. 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., Thursday, August 22, 2019, 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 on 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 e-mail ids are available.

IX. The results shall be declared on or after the AGM. The results along with the requisite enclosures etc. shall also be placed on the website of the Company. The Company shall simultaneously submit the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

14. 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. 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.

c. immediately intimate change of address, if any, to the RTA quoting reference of their registered folio number, in case of shares held in physical form.

d. note that the physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on communication in physical form in addition to e-communication, or have any other queries, may write to the Company RTA at: einward.ris@karvy.com.

15. Dividend as recommended by the Board of Directors, if declared at the meeting, shall be paid after August 29, 2019, but within the statutory time limit of 30 days, to the Members whose name appear on the Register of Members of the Company as per the book closure fixed for the purpose. In case of shares held in dematerialized form, the dividend thereon shall be paid to the Beneficial Owners, as per list provided by the Depositories for the said purpose.

16. Members who wish to claim their dividends declared in past and which remains unclaimed, are requested to contact RTA of the Company viz. Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited), Unit: eClerx Services Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana or write to the Company at its Registered office. Members are requested to note that, pursuant to Section 124 of the Companies Act, 2013 and Rules made thereunder, dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund.

In case the shares are held in physical form, requests for change of address, bank particulars/mandates/NECS mandates, PAN, registration of e-mail id for receiving electronic communication from the Company/RTA should be lodged with the RTA of the Company viz. Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited), Unit: eClerx Services Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana before the book closure.

The above details in respect of the shares held in electronic form should be sent to the respective Depository Participants by the Members well in time. Members are encouraged to utilise the National Electronic Clearing System (NECS) for receiving dividend(s).

17. 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/Demand Drafts, if available.

18. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to approach the RTA of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ORDINARY BUSINESS - ITEM NO. 4

The Members of the Company at the 14th Annual General Meeting (AGM) approved appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, (ICAI Firm Registration Number: 101049W/E300004), Mumbai, as Statutory Auditors of the Company for the period of 5 (Five) consecutive years to hold office from the conclusion of the 14th AGM until the conclusion of the 19th AGM of the Company ('first term').

M/s. S.R. Batliboi & Associates LLP, (FRN 101049W/E300004), ('the Audit Firm'), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was registered with ICAI in the year 1965 and is a limited liability partnership firm ('LLP') incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 11 branch offices in various cities in India.

The Audit Firm has valid Peer Review certificate and is part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients.

Since the said first term of the appointment of the Audit Firm will expire at the conclusion of the 19th AGM of the Company, considering the recommendations of the Audit Committee and based on the consent and confirmation received from M/s. S.R. Batliboi & Associates LLP regarding their eligibility in terms of the provisions of Sections 139 and 141 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company approved the said re-appointment and accordingly recommends the appointment of M/s. S.R. Batliboi & Associates LLP Company for a second term of 5 (Five) consecutive years starting from the conclusion of the 19th AGM until the conclusion of the 24th AGM of the Company, at the proposed audit fee of ₹ 80,00,000 (Rupees Eighty Lakhs only) per annum plus applicable taxes and reimbursement of expenses incurred in connection with the performance of services. The proposed fee can be further revised by the Board of Directors considering change in scope of work, regulatory changes or change in law etc.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends passing of the Ordinary Resolution for re-appointment of Statutory Auditors of the Company and fix their remuneration, as set out at item No. 4 of this Notice, for approval of the Members.

SPECIAL BUSINESS - ITEM NO. 5

The Members of the Company at the 15th Annual General Meeting (AGM) approved that Non-Executive Independent Directors be paid remuneration by way of commission, aggregately not exceeding 1% of the net profit of the Company for the respective financial year, subject to a limit of ₹ 18,00,000/- (Rupees Eighteen Lakhs only) p.a. per Non-Executive Independent Director.

The Board of your Company comprises of qualified and professional Non-Executive Independent Directors. The Board is of view that over the period, the obligations and responsibilities of Non-Executive Independent Directors have grown multifold and, it is also necessary that adequate compensation should be given to Non-Executive Independent Directors for their valuable time, efforts and guidance as also to attract and retain pool of experience, diversity and talent for growth of the Company.

It is therefore proposed that Non-Executive Independent Directors be paid remuneration by way of commission, in aggregate, not exceeding 1% of the net profit of the Company for the respective financial year, computed, *inter-alia*, in accordance with Section 198 of the Companies Act, 2013, subject to a limit of ₹ 22,50,000/- (Rupees Twenty Two Lakhs Fifty Thousand only) per annum per Non-Executive Independent Director. The same is as recommended by Nomination and Remuneration Committee and approved by Board of Directors of the Company at its meeting held on May 23, 2019. The said limit of ₹ 22,50,000/- (Rupees Twenty Two Lakhs Fifty Thousand only) per annum is the upper ceiling and the Board of Directors (including any committee thereof) based *inter-alia*, on the performance of the Company will decide the actual amount payable to the Non-Executive Independent Directors in terms of commission, which may not necessarily be ₹ 22,50,000/- p.a. but may even be lower than that.

Section 197 of the Companies Act, 2013 requires the Special Resolution to be passed by the Members of the Company in General Meeting for payment of remuneration by way of commission to Non-Executive Independent Director. It may be noted that specified particulars of Non-Executive Independent Directors remuneration are also set out in Directors' Report for the Company for the financial year ended March 31, 2019.

The Non-Executive Directors, (including their relatives) are interested in this Resolution insofar as the same relates to their respective commission and their shareholding in the Company, if any. None of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends passing of the Special Resolution for approval of payment of remuneration by way of commission to Non-Executive Independent Directors of the Company, as set out at item No. 5 of this Notice, for approval of the Members.

SPECIAL BUSINESS - ITEM NO. 6

Mr. PD Mundhra, aged 46 years, is a co-founder and Whole-Time Director designated as Executive Director (ED) of the Company. He holds a Master's Degree in Business Administration with major in finance from the Wharton School, University of Pennsylvania and a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata. As the Promoter and Whole-Time Director of the Company, he is responsible for advising and counselling management on corporate decisions, providing strategic guidance and oversight and supervise actively the day-to-day management and administration of the Company. Mr. PD Mundhra serves the Board since March 2000.

The present term of Mr. PD Mundhra, Whole-Time Director of the Company will expire on March 31, 2020. The Board of Directors of the Company ('the Board') at its meeting held on May 23, 2019 has, subject to approval of Members, approved re-appointment of Mr. PD Mundhra (DIN: 00281165) as Whole-Time Director designated as Executive Director (ED) of the Company for a further period of 5 (Five) years, from April 1, 2020 to March 31, 2025, on terms and conditions including remuneration, as recommended by the Nomination and Remuneration Committee of the Board at its meeting held on the same day. It is proposed to seek the Members' approval for the re-appointment of and remuneration payable to Mr. PD Mundhra as a Whole-Time Director designated as Executive Director (ED) of the Company in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. PD Mundhra are as under:

1. **Tenure:** April 1, 2020 to March 31, 2025.

2. **Nature of Duties:** The ED shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interest of the Company.

3. **Remuneration:** It is proposed to keep the range of Annual Gross Salary and quantum of other perquisites payable to Mr. PD Mundhra same as determined by Members of the Company by way of postal ballot on December 23, 2014, which is as follows;

   (a) Annual Gross Salary: Within the range between ₹ 1,38,00,000/- (Rupees One Crore Thirty Eight Lakhs only) to ₹ 2,76,00,000/- (Rupees Two Crores Seventy Six Lakhs only) per annum with annual increments effective April 1 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.

   (b) Other perquisites

      i. The Annual Performance Bonus subject to maximum of 100% of Annual Gross Salary, payable at such intervals, as may be decided by the Board;

      ii. Leave Encashment as per the policy of the Company;

      iii. Gratuity as per the policy of the Company; and

      iv. Mediclaim and Personal Accident Insurance – as per the policy of the Company.

4. **Other terms of appointment:**

   (a) Mr. PD Mundhra will be entitled to reimbursement of all entertainment, travelling, hotel and other expenses actually incurred for the purpose of business of the Company.

   (b) He shall not be paid any sitting fees for attending Board/ Committee meetings.

   (c) The tenure will be subject to termination by 3 months' prior notice in writing on either side.

   The draft agreement between the Company and Mr. PD Mundhra is available for inspection at the registered office of Company on any working day except Saturdays & Sundays during business hours between 11.00 a.m. to 6.00 p.m. up to the date of AGM and at the venue of AGM during AGM.

   Mr. PD Mundhra satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Companies Act, 2013 read with Rules framed thereunder, for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and has also given his consent to be appointed as Director of the Company in terms of Section 152(5) of the Act.

   Mr. PD Mundhra and his relatives may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except this, none of the other Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

   The Board recommends passing of the Special Resolution for approval of re-appointment of Mr. PD Mundhra (DIN: 00281165) as Whole-Time Director designated as Executive Director of the Company for a period of 5 (Five) Years, effective from April 1, 2020, as set out at item No. 6 of this Notice, for approval of the Members.

ANNEXURE TO THE AGM NOTICE

DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE ENSUING GENERAL MEETING

Name	Anjan Malik	PD Mundhra
DIN	01698542	00281165
Designation	Non-Executive Director	Executive Director
Age	49 years	46 years
Profession	Business Executive	Business Executive
Date of first appointment on the Board	May 10, 2000	March 24, 2000
Shareholding in the Company as on the date of this Notice	9,759,430 (25.20%)	9,763,430 (25.21%)
Qualifications	Bachelor's 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).	Bachelor's Degree in Commerce from St. Xavier's College, Kolkata and a Master's Degree in Business Administration with major in Finance, from the Wharton School, University of Pennsylvania (USA).
Brief resume (Experience and Expertise)	Mr. Anjan Malik, is a co-founder and Non-Executive Director of eClerx Services Limited and the Executive Director of its on-shore subsidiaries. He has over 28 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.	Mr. PD Mundhra, aged 46 years, is a co-founder and Whole-Time Director designated as Executive Director (ED) of the Company. He holds a Master's Degree in Business Administration with major in finance from the Wharton School, University of Pennsylvania and a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata. Mr. Mundhra has over 19 years of experience in advising and counselling management on corporate decisions, providing strategic guidance and oversight and supervise actively the day-to-day management and administration of the Company.
Terms and conditions of re-appointment	As per the resolution at item No. 3 of this Notice.	As per the resolution at item No. 6 of this Notice read with explanatory statement annexed thereto.
Relationship with other Directors and Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel.	Not related to any Director/Key Managerial Personnel.
Directorships held in other Companies	N.A.	1. Ambassador Estates & Investments Private Limited 2. Anmol Realtors Private Limited 3. Chandak Exports Private Limited 4. Consolidated Properties Private Limited 5. Dia Exports Private Limited 6. Innovative Impex Private Limited 7. Mukund Realtors Private Limited 8. N. T. Estates & Investments Private Limited 9. Riddhi-Siddhi Realtors Private Limited 10. Urvashi Realtors Private Limited 11. Vinayak Properties Private Limited 12. Vishaal Exports Private Limited
Memberships/ Chairmanships held in Committees of the Board of other companies	N.A.	N.A.
The number of meetings of the Board attended during the Financial Year 2018-2019	5 out of 6	5 out of 6
Remuneration last drawn	No remuneration had been paid, by the Company, during FY 2018-19. However as stated in Notes to Accounts, he was paid ₹ 14.16 million (which includes ₹ 6.81 million of bonus provisions) from eClerx Limited, (U.K.) and ₹ 7.34 million from eClerx Investments (U.K.) Limited wholly owned subsidiaries of the Company, during FY 2018-19.	A remuneration of ₹ 21.39 million had been paid by the Company during FY 2018-19.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 19th Annual Report along with the audited annual accounts for the financial year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS

Key aspects of Financial Performance/Operating Performance of the Company for the year ended March 31, 2019 are tabulated below, *inter-alia*, pursuant to the Section 134 of the Companies Act 2013 ('the Act') read with the Companies (Accounts) Rules, 2014.

The consolidated performance of the Company and its subsidiaries has also been set out herein, wherever required :

(Rupees in Million)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Income from operations	11,398.18	11,440.21	14,305.93	13,650.62
Other Income	558.25	438.27	485.92	402.31
Total Income	**11,956.43**	**11,878.48**	**14,791.85**	**14,052.93**
Operating Expenses	8,851.24	8,180.72	11,229.80	9,987.48
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**3,105.19**	**3,697.76**	**3,562.05**	**4,065.45**
EBITDA%	25.97%	31.13%	24.08%	28.93%
Finance Costs	-	-	0.39	0.40
Depreciation, goodwill & amortisation expenses	261.55	295.99	446.92	482.42
Earnings before Exceptional Items, Interest & Tax	2,843.64	3,401.77	3,114.74	3,582.63
Exceptional Items	-	212.59	-	212.59
Net Profit before Tax (PBT)	2,843.64	3,614.36	3,114.74	3,795.22
Taxes	747.51	833.17	831.73	895.80
Profit for the year before minority interest	2,096.13	2,781.19	2,283.01	2,899.42
Minority interest	-	-	0.38	(0.42)
Net Profit attributable to shareholders	**2,096.13**	**2,781.19**	**2,282.63**	**2,899.84**
NPM%	**17.53%**	**23.41%**	**15.43%**	**20.63%**

2. OPERATIONAL AND FINANCIAL STATE OF AFFAIRS OF THE COMPANY

The information on operational and financial performance etc. is provided under the Management Discussion and Analysis Report, which forms part of this 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').

Apart from the information contained in Notes to the Financial Statements, no material changes and commitments have occurred after the closure of the FY 2018-19 till the date of this Report, which would affect the financial position of your Company.

3. DIVIDEND

Based on the overall Company's performance, your Directors are pleased to recommend a dividend of ₹ 1/- (10%) per share. The total quantum of dividend payout if approved by the Members will be about ₹ 44.59 million including about ₹ 7.60 million which will be paid by the Company towards dividend tax and surcharge on the same.

The Company had paid a dividend of ₹ 1/- per share (10%) 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:

S. No.	Dividend	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
1	Dividend (Final)	1.00	1.00	1.00	35.00	35.00	25.00	17.50
2	Total Dividend for the year	1.00	1.00	1.00	35.00	35.00	25.00	17.50
3	Dividend as % EPS (Basic)	1.8%	1.4%	1.2%	46%	41%	43%	32%
4	Dividend as % Profit After Tax	1.8%	1.4%	1.2%	46%	41%	44%	32%
5	Tax Amount (₹ in million)	7.95	8.12	8.36	222.28	179.50	126.93	82.50

The register of members and share transfer books will remain closed from Friday, August 23, 2019 to Thursday, August 29, 2019 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The 19th Annual General Meeting ('AGM') of the Company is scheduled to be held on Thursday, August 29, 2019.

4. TRANSFER OF UNPAID DIVIDEND TO IEPF

During the year ended March 31, 2019, transfer of unpaid dividend amounting to ₹ 260,122.50 (Rupees Two Lakh Sixty Thousand One Hundred Twenty Two Rupees and Fifty Paise) for FY 2010-2011 to Investor Education and Protection Fund (IEPF) was due on October 23, 2018 and Demand draft for transferring the due amount to IEPF was issued on October 12, 2018. However, due to a technical issue on Ministry of Corporate Affairs website of automatically rounding off the amount while generating challan for making transfer to the IEPF, the Company was unable to deposit the Demand Draft with the Authorised Bank of IEPF as there was a mismatch in the amount mentioned in the Demand Draft and the challan. Accordingly, taking appropriate corrective measures, the unpaid amount was finally credited on November 9, 2018.

5. DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Listing Regulations, your Company has formulated a dividend distribution policy with regards to distribution of dividend to its shareholders and/or retaining or ploughback of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders. The policy has also been posted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

6. GENERAL RESERVE

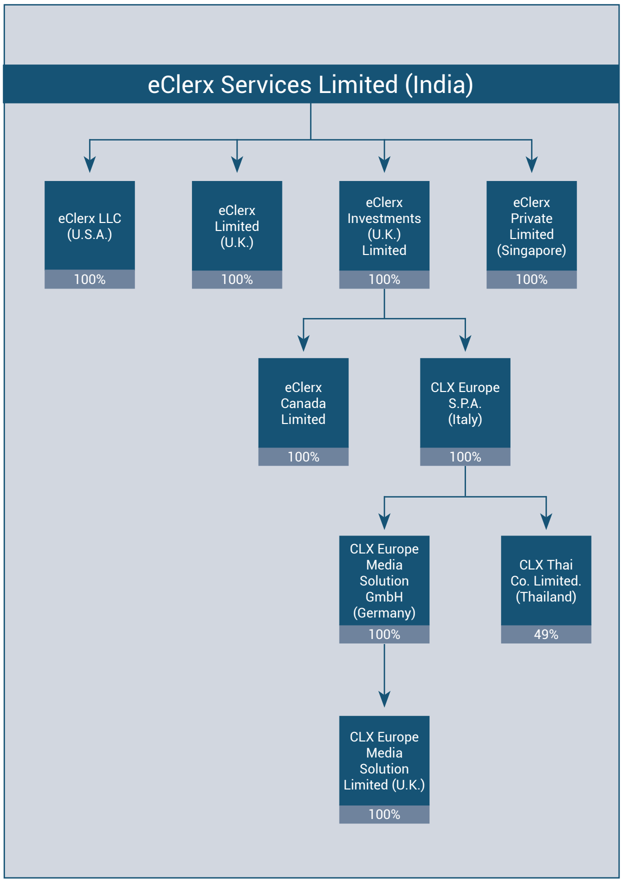
The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2019.

7. PUBLIC DEPOSITS

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

8. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

The Company has following subsidiaries/associates as on March 31, 2019:



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

There has been no material change in the nature of business of subsidiaries and associate Company, during the year under review.

Pursuant to Section 136 of the Act, the Financial Statements including Consolidated Financial Statements, along with relevant documents have been posted on the Company's website www.eClerx.com. The same are also open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11.00 a.m. to 6.00 p.m. up to the date of AGM and during AGM at the venue.

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.

10. CLIENT BASE

The client segmentation, based on the last 12 months' accrued revenue on a consolidated basis for the current and previous years is as follows:

Clients	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15
US$ 0.5-1 million	20	17	14	16	7
US$ 1-5 million	18	17	18	17	7
More than US$ 5 million	7	6	6	7	7

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

Internal Financial Controls (IFC) of the Company provides reasonable assurance with respect to preparation of financial statements in compliance with the Acts, Rules, Regulations as applicable including Indian Accounting Standards and also reliability of financial reporting. The controls also provides assurance that the expenditures are made in accordance with the authority given to the management of the Company duly approved by the Directors of the Company. These controls 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 and Board of Directors for review of actionable items. The review of the IFC, *inter-alia*, consists of the three components of internal controls, viz., Entity level controls, Key financial reporting controls and Internal controls in operational areas. In addition to this, the Company also has an Enterprise Wide Risk Management Framework (EWRM) where the Company has identified and documented risks with respect to financial reporting as well as the controls for such risks. The Internal Auditor of the Company periodically conducts an audit/check of the effectiveness of such framework and the observations are placed before the Audit Committee.

12. CHANGES IN SHARE CAPITAL

Particulars	No. of shares	Amount in Rupees
Issued, subscribed and paid-up capital as on April 1, 2018	38,629,082	386,290,820
Add: Number of shares allotted during the year FY 2018-19 on account of ESOP Allotment	82,013	820,130
Issued, subscribed and Paid-up Capital as on March 31, 2019	38,711,095	387,110,950

13. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai [ICAI Registration No. 101049W/E300004], had been appointed as the Statutory Auditors of your Company for a term of 5 (Five) years until the conclusion of 19th Annual General Meeting (AGM) of the Company. In terms of the provisions of the Act, your approval for their re-appointment for the second term of 5 (Five) years is being sought at the ensuing AGM and forms part of the Notice convening AGM.

M/s. S.R. Batliboi & Associates LLP have confirmed their eligibility and qualification required under Sections 139, 141 and other applicable provisions of the Act and Rules framed thereunder.

The Auditors' Report for the financial year ended March 31, 2019 does not contain any qualification, reservation or adverse remark.

14. SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. Mehta & Mehta, Company Secretaries as the Secretarial Auditors for conducting Secretarial Audit of your Company for the financial year ended March 31, 2019. The report of the Secretarial Auditor is attached as **Annexure-II** to this report in Form MR-3.

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

Your Company is in compliance with the Secretarial Standards issued by specified by the Institute of Company Secretaries of India (ICSI) and notified by the Central Government.

15. MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records pursuant to Section 148 (1) of the Act read with Companies (Cost Records and Audit) Rules, 2014.

16. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2019 in Form MGT-9, in accordance with Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-III** to this report in Form MGT-9. and the Annual Return in Form MGT-7 is available on the website of the Company www.eclerx.com.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY`S OPERATIONS IN FUTURE

There were no significant or material orders passed by any regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future during the financial year.

18. DIRECTORS

In accordance with the Section 152 and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Anjan Malik, (DIN: 01698542) retires from office by rotation, and being eligible, offers himself for re-appointment at the forthcoming AGM of the Company.

The brief resume of Mr. 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 is included in the Notice of the ensuing AGM. Mr. Anjan Malik is not a Key Managerial Personnel pursuant to the provisions of the Act.

19. DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received the Certificate of Independence from all the Independent Directors pursuant to Section 149 of the Act and Regulation 16 of the Listing Regulations, confirming and certifying that they have complied with all the requirements of being an Independent Director of the Company. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

The Company has also received declaration under Regulation 25(8) of Listing Regulations from Independent Directors of the Company confirming that there were no existence or anticipation of any circumstances during the year, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

20. PERFORMANCE EVALUATION

The Board of Directors of the Company had appointed an external expert for conducting evaluation of the performance of the Chairman, Board, individual Directors including peer review and self-assessment and of the Committees of the Board. The report of the performance evaluation of the individual Directors were submitted to the respective Directors whereas the observations and the report on the performance evaluation of the Board and its Committees was placed before the Nomination and Remuneration Committee. The feedback of the Nomination and Remuneration Committee was then placed before the Board of Directors for review and taking appropriate action on the basis of the findings in the performance evaluation report.

The said evaluation for the Board and individual Directors was carried out, based on pre-defined comprehensive checklist(s) which was circulated to the Directors covering various evaluation criteria(s), *inter-alia*, modelled on the following factors:

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for the 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 performance evaluation criteria(s) for the Committees of the Board, was modelled on the following factors:

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

- Attendance of Committee members in the respective meetings;
- Frequency of meetings.

In addition, the Chairman of the Board was also evaluated on the key aspects of his role and the report on his performance evaluation was placed before the separate meeting of the Independent Directors for review which was held on May 23, 2019. In this meeting, the performance of the 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 also discussed in the subsequent Nomination and Remuneration Committee Meeting and Board Meeting that followed the meeting of Independent Directors.

21. FAMILIARIZATION PROGRAMME

The Company conducts familiarization programme for Independent Directors to enable them to get a clear understanding about the business of the Company, organizational set-up, functioning of various verticals/departments, industry scenario, changes in the regulatory framework and its impact on the business of the Company.

Further, when a new Director is inducted on the Board, the introductory familiarization program is undertaken, 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 familiarization programmes are conducted for the Directors about the business operations, industry overview, threats, opportunities and challenges in respective verticals. Furthermore, detailed business presentations are made at quarterly meetings of Board of Directors. The details of familiarization programmes/training imparted to Independent Directors have been posted on the website of the Company at the web-link https://eclerx.com/investor-relations/corporate-governance/.

The Independent Directors are encouraged to attend educational programmes in the area of Board/Corporate Governance.

The Directors have access to Management to seek any additional information, clarification and details as may be required. In terms of the Listing Regulations, the standard letter of appointment of Non-Executive Independent Directors of the Company containing the requisite familiarization details has been posted on the website of the Company at the web-link https://eclerx.com/investor-relations/corporate-governance/.

22. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act 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 2018-19, 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, 2019 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 Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis;

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.

23. BOARD MEETINGS

During the FY 2018-19, 6 (Six) Board Meetings were held as follows:

May 23, 2018	August 7, 2018	November 1, 2018
January 10, 2019	January 31, 2019	March 14, 2019

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 Act and the Listing Regulations.

24. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Biren Gabhawala, Mr. Pradeep Kapoor, Mr. Anish Ghoshal, Ms. Deepa Kapoor and Mr. PD Mundhra. The majority of the Members are Independent Directors and Mr. Biren Gabhawala, Independent Director is the Chairman of the Committee. During the year, all recommendations made by the Audit Committee were accepted by the Board.

25. REPORTING OF FRAUD BY THE STATUTORY AUDITORS

There were no instances of fraud reported by the Statutory Auditors during the Financial Year in terms of the Section 134 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

26. NOMINATION AND REMUNERATION POLICY

The Company has formulated the Nomination and Remuneration Policy in accordance with the provisions of the Act and the Listing Regulations. The said 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 is available on the website of the Company at the web-link https://eclerx.com/investor-relations/corporate-governance/.

27. VIGIL MECHANISM

Pursuant to the provisions of the Act 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 wrong-doing 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 (ii) reporting instances of leak or suspected leak of Unpublished Price Sensitive Information and (iii) an investigative process of reported acts of wrong doing and retaliation from employees, *inter-alia*, on a confidential and anonymous basis.

The aforesaid policy has also been posted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

28. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Details of loans and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2019, are set out in Note 8 and 5.1 respectively to the Standalone Financial Statements of the Company. The Company has not provided any guarantee during the year under review.

29. PARTICULARS OF TRANSACTIONS, CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year, all the transactions that the Company entered into with related parties were in the ordinary course of business and at arm's length basis. All such transactions were approved by the Audit Committee and were reviewed by it on a periodic basis. Further, the Company has not entered into material contract or arrangement as defined under Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The policy on Related Parties as approved by the Board is available on your Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

The particulars of the transactions with related parties pursuant to the provisions of *inter-alia*, Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as under. Further, details with respect to related party transactions are also set out in the Note No. 33 to the Standalone Financial Statements of the Company for the year ended March 31, 2019.

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, 2019, from subsidiaries, associate companies or firms/companies in which Directors are interested.

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]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

(Rupees in Millions)

Name of the related party	Nature of contract/ arrangement/transactions	Relationship	Salient Terms of the contracts or arrangements or transactions including the value, if any	Duration of the contracts/ arrangements/ transactions	Date of Approval by the Board, if any	Transactions during the year March 31, 2019	Outstanding Balance as at March 31, 2019
eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014/ ongoing	1,862.01	525.18 Payable
	Expenses incurred by subsidiary on behalf of holding Company					2.26	
	ITES services by subsidiary to holding company					30.94	
	Expenses incurred by holding Company on behalf of subsidiary					2.18	11.03 Receivable
	ITES services by holding to subsidiary company					35.44	

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

Place: Mumbai
Date: May 23, 2019

Pradeep Kapoor
Chairman

30. BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required, *inter-alia*, under Section 134 of the Act read with the Companies (Accounts) Rules, 2014 is given in the **Annexure IV** to this report.

32. 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 organization 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, including cyber security, 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.

The Board of Directors of the Company have, at its meeting held on January 31, 2019 constituted the Risk Management Committee and delegated the role of overseeing the implementation of the risk management policy and the EWRM framework to the Committee.

33. 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.

During FY 2018-19, total 17 cases of sexual harassment were reported; all cases have been addressed satisfactorily within the defined timelines. Out of 17 cases, 1 case was unsubstantiated, 1 case was under investigation at the end of the financial year, in 7 cases the respondents were found to be guilty and appropriate actions were taken, 1 case was considered as closed as highest action possible was already taken under another policy violation and 7 cases were resolved through conciliation.

34. CORPORATE SOCIAL RESPONSIBILITY

During the Financial Year, the Company incurred ₹ 77.23 millions towards CSR expenditure. The Company's CSR policy statement and the annual report on CSR activities undertaken during the financial year ended March 31, 2019, in accordance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure V** to this report.

35. AWARDS AND RECOGNITION

eClerxDigital won Asia Pacific Stevie awards - a Gold award for 'Innovation E-commerce' and a Silver award for 'Innovative Use of Technology in Customer Service'. Company's business vertical-Customer Operations won e-care partner of the year as its largest customer. CSO50 of the IDG Group recognised eVigil Pro, our centralized security monitoring application as a leading product in its segment. Our Virtual Assistants technology won recognition and awards from NASSCOM and CIO100 forum. Our People function won the National Golden Peacock award for Quality for the second consecutive year and the prestigious Brandon Hall Awards for Excellence in Learning and Development.

The Company's in-house Research and Development unit at Airoli, Navi Mumbai, was recognised by Department of Scientific and Industrial Research, Government of India.

It is gratifying when our clients and industry recognise us for the differentiated value we bring.

36. 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: 88 times; Non-Executive Non Independent Director: N.A.; Non-Executive Independent Director: 6.55 times (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: 4.35%, Chief Financial Officer: 9%, Company Secretary: Not Eligible:

- The percentage increase in the median remuneration of employees in the financial year: 3.33%;
- The global headcount of the Company as on March 31, 2019 was more than 9,500;
- 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: 7.8% for employees other than senior managerial personnel v/s 8.5% 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 statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.
- 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 ₹ 13,800,000 to ₹ 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.	The Remuneration 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 Companies Act, 2013 and such other applicable Regulations, subject to an amount of ₹ 18 Lakhs p.a. Remuneration will be paid in proportion to the term served in the Company, during the year.	Nil
Details of fixed component and performance linked incentives along with performance criteria	Annual Gross Salary: ₹ 13.80 million p.a. Annual Performance Bonus: upto ₹ 13.80 million p.a. 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		
Service contract, notice period, severance fees	The tenure will be subject to termination by 3 (Three) 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	N.A.	N.A.	N.A.

The details of remuneration paid/payable to Directors for FY 2018-19 are provided in the Corporate Governance Report forming part of this report.

37. EMPLOYEES' STOCK OPTION SCHEME/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 and SEBI (Share Based Employee Benefits) Regulations 2014, your Company had framed and instituted Employee Stock Option Plan 2011 ('ESOP 2011') & Employee Stock Option Plan 2015 ('ESOP 2015') to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

An ESOP trust which has been set up under ESOP Scheme 2015, is managed by independent trustee and is authorised for secondary market acquisition. During the year under review, ESOP Trust has acquired 433,200 shares from open market. There would not be any dilution of equity shareholding for exercises done under ESOP 2015 Scheme considering the Trust route model.

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, and the disclosure in compliance with SEBI (Share Based Employee Benefits) Regulations 2014 are available on the website of the Company at the web-link https://eclerx.com/investor-relations/financials/.

The equity shares to be issued and allotted under the ESOP schemes i.e. ESOP 2011 and ESOP 2015 of the Company shall rank *pari-passu* in all respects including dividend with the existing equity shares of the Company.

The Nomination and Remuneration Committee has approved the closure of ESOP 2005, ESOP 2008 and ESOP 2011 and there will not be any further grants/vests under the said Schemes/Plans. The vesting of options has commenced under ESOP 2015 as per the vesting schedule.

38. HUMAN RESOURCE MANAGEMENT

The Company recognises people development as a key strategic differentiator and invests in multiple high-value learning solutions besides engaging with industry experts, stalwarts from specialized practice areas. Further, details on human resource management are set out in the Management Discussion and Analysis Report, describing the initiatives taken by the Company, which forms part of the Annual Report.

39. CORPORATE GOVERNANCE

The Securities and Exchange Board of India has prescribed certain corporate governance standards vide Regulations 24 and 27 of the Listing Regulations. Your Directors reaffirm their commitments to these standards and a detailed Report on Corporate Governance together with the Auditors' Certificate on its compliance is forming part of this report.

40. SUCCESSION PLANNING

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

41. 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.

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 Members who have contributed towards furtherance of Green Initiative. We further appeal to other Members 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 Members who request for physical copies, will be provided the same at no cost to them. Through constant efforts and continuous communications, your Company has been able to reduce the cases where Annual Report and other communications are sent to Members through physical mode from 34% in 2016 to 22% in 2018.

42. INDUSTRIAL RELATIONS

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across organization.

43. ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Government of India and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

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

Place: Mumbai
Date: May 23, 2019

Pradeep Kapoor
Chairman

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, 2019

Part A : Subsidiaries

(Rupees in Millions)

Name of Subsidiary	Reporting Financial Period ended	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate as on March 31, 2019	Issued and Subscribed share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment other than investment in subsidiaries	Turnover	Profit /(Loss) before Tax	Provision for Tax	Profit after tax	Proposed Dividend	Holding Company's interest (in equity shares)	Shares held by the Holding Company in the subsidiary
eClerx Limited	March 31, 2019	April 1, 2007	GBP	90.36	37.50	160.07	256.58	59.01	-	525.80	(0.14)	(4.68)	4.54	-	100%	100
eClerx LLC	March 31, 2019	April 1, 2007	USD	69.28	119.13	816.89	1,209.05	273.03	-	2,876.70	158.67	36.20	122.47	-	100%	100
eClerx Private Limited	March 31, 2019	December 29, 2009	SGD	50.71	5.26	99.66	135.93	31.01	-	330.13	48.41	9.79	38.62	-	100%	1
eClerx Canada Limited	March 31, 2019	September 23, 2016	CAD	51.93	2.60	(1.30)	12.26	10.96	-	21.72	2.14	(0.51)	2.65	-	100%	50,000
eClerx Investments (UK) Limited	March 31, 2019	March 14, 2015	INR	1.00	1,808.64	(0.86)	1,808.99	1.21	-	-	(26.94)	-	(26.94)	-	100%	186,86,112
CLX Europe S.P.A	March 31, 2019	April 22, 2015	EUR	77.74	1,812.23	(367.67)	2,399.89	955.33	-	1,517.38	76.97	49.10	27.87	-	100%	35,885,448
CLX Europe Media Solution GmbH	March 31, 2019	April 22, 2015	EUR	77.74	39.75	169.93	235.97	26.29	-	180.24	20.30	7.11	13.19	-	100%	5,11,292
CLX Europe Media Solution Limited	March 31, 2019	April 22, 2015	GBP	90.36	0.01	74.50	224.21	149.70	-	365.96	(4.61)	-	(4.61)	-	100%	2

Part B : Associate Companies

Name of Associate		CLX Thai Company Limited (Thailand)
1.	Latest audited Balance Sheet Date	March 31, 2019
2.	Date on which the Associate or Joint Venture was associated or acquired	April 22, 2015
3.	Shares of Associate held by the Company on the year end	
	No. of Shares	2,940
	Amount of Investment in Associate	2,940,000
	Extend of Holding %	49%
4.	Description of how there is significant influence	Parent controls voting power
5.	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
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	12.80
7.	Profit/ Loss for the year	0.71
	i. Considered in consolidation	0.71
	ii. Not considered in consolidation	0

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

Pradeep Kapoor	PD Mundhra	Anjan Malik	Biren Gabhawala
Chairman	Executive Director	Director	Director

Place: Mumbai
Date: May 23, 2019

Rohitash Gupta	Pratik Bhanushali
Chief Financial Officer	Company Secretary

ANNEXURE II

Secretarial Audit Report

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
eClerx Services Limited
Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai - 400023

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 the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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, 2019 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and 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;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the year under review not applicable to the Company);

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and

   h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 .

We have examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, 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 a nd 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting.

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.

We further report that during the audit period, the Company had the following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

a) The members at the Annual General Meeting held on August 29, 2018 have approved the dividend of ₹ 1 per share for Financial Year 2017-18.

b) The Nomination and Remuneration Committee, at its meeting held on May 23, 2018, approved grant of options to the employees of the Company and its subsidiaries under the ESOP scheme 2015 totaling 383,720 options at an exercise price of ₹ 1,320.95/- per option.

c) During the period under review, the Nomination and Remuneration Committee has approved allotment of equity shares pursuant to Employee Stock Option Scheme 2011. The details of the same are as follows:

Sr. No.	Date of Allotment	No. of shares allotted
1.	April 6, 2018	13,785
2.	May 8, 2018	12,987
3.	June 13, 2018	1,855
4.	July 6, 2018	6,359
5.	August 7, 2018	13,988
6.	September 6, 2018	7,364
7.	October 4, 2018	1,766
8.	November 6, 2018	2,465
9.	December 5, 2018	4,033
10.	January 7, 2019	5,831
11.	February 6, 2019	7,417
12.	March 7, 2019	4,163

d) The Board of Directors at their meeting held on March 14, 2019 approved proposal of Buy-Back of fully paid-up equity shares of the Company of face value of ₹ 10 each for an aggregate amount not exceeding ₹ 2,620 millions, subject to the approval of the shareholders.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No : 9409
CP No. : 11226

Place : Mumbai
Date : May 23, 2019

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A to Secretarial Audit Report

To,
eClerx Services Limited
Sonawala Building, 1st Floor, 29 Bank Street,
Fort, Mumbai - 400023

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate Laws, Rules, Regulations, Standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Ashwini Inamdar
Partner
FCS No : 9409
CP No. : 11226

Place : Mumbai
Date : May 23, 2019

ANNEXURE III

From No. MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2019

[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 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 Email ID: investor@eclerx.com Website: www.eClerx.com
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Telangana, 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:-

Sr. No.	Name and Description of main products/services	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	Address	CIN/ GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section*
1.	eClerx LLC	286 Madison Avenue, 14th floor, New York, NY 10017	NA	Wholly owned subsidiary	100%	Section 2(87)
2.	eClerx Limited	1 Dover Street, 1st floor, London, W1S 4LA, United Kingdom	NA		100%	
3.	eClerx Private Limited	1 North Bridge Road #01/02 & #20-01 High Street Centre, Singapore 179094	NA		100%	
4.	eClerx Investments (U.K.) Limited	First Floor, 1 Dover Street, London W1S 4LA, United Kingdom	NA		100%	
5.	eClerx Canada Limited	1700-1075 West Georgia Street, Vancouver BC V6E 3C9 Canada	NA	Step down Subsidiary	100%	
6.	CLX Europe S.P.A.	Via dell'Artigianato, 8A 37135 Verona - Italy	NA		100%	
7.	CLA Europe Media Solution GmbH	Barmbeker Str.8, 22303 Hamburg - DE	NA		100%	
8.	CLX Europe Media Solution Limited	12-14 Berry Street London EC1V 0AU	NA		100%	
9.	CLX Thai Co. Limited	Chaofa Rd, Palai Soi 2 44 Moo Chalong Sub-District Muang Phuket - TH	NA	Associate Company	49%	Section 2(6)

*Applicable Section of the Companies Act, 2013

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

i. CATEGORY-WISE SHARE HOLDING

Category of Shareholders	Number of Shares held at the beginning of the year i.e. April 1, 2018				Number of Shares held at the end of the year i.e. March 31, 2019				% Change 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	9,743,211	0	9,743,211	25.22	9,802,262	0	9,802,262	25.32	0.10
b. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c. State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e. Banks/ Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	**9,743,211**	**0**	**9,743,211**	**25.22**	**9,802,262**	**0**	**9,802,262**	**25.32**	**0.10**

Category of Shareholders	Number of Shares held at the beginning of the year i.e. April 1, 2018				Number of Shares held at the end of the year i.e. March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
a. NRI – Individuals	9,689,920	0	9,689,920	25.08	9,759,430	0	9,759,430	25.21	0.13
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	**9,689,920**	**0**	**9,689,920**	**25.08**	**9,759,430**	**0**	**9,759,430**	**25.21**	**0.13**
Total Shareholding of Promoter A = (A)(1) + (A)(2)	**19,433,131**	**0**	**19,433,131**	**50.31**	**19,561,692**	**0**	**19,561,692**	**50.53**	**0.23**
B. Public Shareholding									
1. Institutions									
a. Mutual Funds/UTI	5,806,736	0	5,806,736	15.03	6,485,114	0	6,485,114	16.76	1.73
b. Banks/Financial Institutions	6,655	0	6,655	0.02	14,336	0	14,336	0.04	0.02
c. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d. State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. Foreign Institutional Investors/Foreign Portfolio Investors	9,607,617	0	9,607,617	24.87	8,928,213	0	8,928,213	23.06	(1.81)
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (B)(1)	**15,421,008**	**0**	**15,421,008**	**39.92**	**15,427,663**	**0**	**15,427,663**	**39.86**	**(0.06)**
2. Non - Institutions									
a. Bodies Corporate									
I. Indian	885,337	0	885,337	2.29	306,340	0	306,340	0.79	(1.50)
II. Overseas	0	0	0	0.00	0	0	0	0	0.00
b. Individual									
I. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	1,862,535	23	1,862,558	4.82	1,921,009	23	1,921,032	4.96	0.14
II. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	218,793	0	218,793	0.57	233,213	0	233,213	0.60	0.03

Category of Shareholders	Number of Shares held at the beginning of the year i.e. April 1, 2018				Number of Shares held at the end of the year i.e. March 31, 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c. Others									
I. Non Resident Indians	77,930	0	77,930	0.20	90,966	0	90,966	0.23	0.03
II. Clearing Members	35,799	0	35,799	0.09	25,990	0	25,990	0.07	(0.02)
III. Trusts	7,808	0	7,808	0.02	0	0	0	0.00	(0.02)
IV. Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
V. NBFC	545	0	545	0.00	910	0	910	0.00	0.00
VI. NRI – Non Repatriation	32,925	0	32,925	0.09	31,720	0	31,720	0.08	(0.01)
VII. ESOP Trust	455,776	0	455,776	1.18	916,060	0	916,060	2.37	1.19
VIII. Foreign Nationals	40,080	0	40,080	0.10	40,080	0	40,080	0.10	0.00
IX. HUF	157,030	0	157,030	0.41	155,004	0	155,004	0.40	(0.01)
X. IEPF	362	0	362	0.00	425	0	425	0.00	0.00
Sub Total (B)(2)	**3,774,920**	**23**	**3,774,943**	**9.77**	**3,721,717**	**23**	**3,721,740**	**9.60**	**(0.17)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**19,195,928**	**23**	**19,195,951**	**49.69**	**19,149,380**	**23**	**19,149,403**	**49.47**	**(0.23)**
Total (A+B)	**38,629,059**	**23**	**38,629,082**	**100.00**	**38,711,072**	**23**	**38,711,095**	**100.00**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**38,629,059**	**23**	**38,629,082**	**100.00**	**38,711,072**	**23**	**38,711,095**	**100.00**	**0.00**

ii. SHAREHOLDING OF PROMOTERS

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year i.e. April 1, 2018			Shareholding at the end of the year i.e. March 31, 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Anjan Malik	9,689,920	25.08	0.00	9,759,430	25.21	0.00	0.13
2.	Priyadarshan Mundhra	9,684,379	25.07	0.00	9,763,430	25.22	0.00	0.15
3.	Vijay Kumar Mundhra	40,779	0.11	0.00	20,779	0.05	0.00	(0.06)
4.	Supriya Modi	17,761	0.05	0.00	17,761	0.05	0.00	0.00
5.	Shweta Mundhra	292	0.00	0.00	292	0.00	0.00	0.00
	Total	**19,433,131**	**50.31**	**0.00**	**19,561,692**	**50.53**	**0.00**	**0.22**

iii. CHANGES IN PROMOTERS SHAREHOLDING

Sr. No.	Particulars	Shareholding at the beginning of the year i.e. April 1, 2018		Increase/ Decrease	Cumulative Shareholding at the end of the year i.e. March 31, 2019	
		No. of shares	% of total shares of the Company	No. of Shares	No. of shares	% of total shares of the Company
1.	**Anjan Malik**	9,689,920	25.08	-	-	-
	Sale of shares on 28/5/2018	-	-	(28,490)	9,661,430	24.96
	Purchase of shares (Inter-se transfer) on 6/6/2018	-	-	8,000	9,669,430	24.98
	Purchase of shares on 11/6/2018	-	-	90,000	9,759,430	25.21
2.	**Priyadarshan Mundhra**	9,684,379	25.07	-	-	-
	Sale of shares on 28/5/2018			(22,949)	9,661,430	24.96
	Receipt of Gift of shares on 5/6/2018			20,000	9,681,430	25.01
	Sale of shares (Inter-se transfer) on 6/6/2018	-	-	(8,000)	9,673,430	24.99
	Purchase of shares on 11/6/2018	-	-	90,000	9,763,430	25.22
3.	**Vijay Kumar Mundhra**	40,779	0.11	-	-	-
	Sale of shares on 5/6/2018	-	-	(20,000)	20,779	0.05
4.	**Supriya Modi**	17,761	0.05	-	17,761	0.05
5.	**Shweta Mundhra**	292	0.00	-	292	0.00

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sr. No.	Name	Shareholding at the beginning of the year i.e. April 1, 2018		Cumulative Shareholding at the end of the year i.e. March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Matthews India Fund**				
	At the beginning of the year	2,661,931	6.89	-	-
	Bought during the year	-	-	2,661,931	6.88
	Sold during the year	(581,134)	1.50	2,080,797	5.38
	At the end of the year	-	-	2,080,797	5.38
2.	**SBI Magnum Balanced Fund**				
	At the beginning of the year	1,753,223	4.54	-	-
	Bought during the year	-	-	1,753,223	4.53
	Sold during the year	-	-	1,753,223	4.53
	At the end of the year	-	-	1,753,223	4.53

Sr. No.	Name	Shareholding at the beginning of the year i.e. April 1, 2018		Cumulative Shareholding at the end of the year i.e. March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund				
	At the beginning of the year	1,684,608	4.36	-	-
	Bought during the year	-	-	1,684,608	4.35
	Sold during the year	-	-	1,684,608	4.35
	At the end of the year	-	-	1,684,608	4.35
4.	UTI-Mahila Unit Scheme				
	At the beginning of the year	1,464,319	3.79	-	-
	Bought during the year	661,959	1.71	2,126,278	5.49
	Sold during the year	(447,050)	1.16	1,679,228	4.34
	At the end of the year	-	-	1,679,228	4.34
5.	Franklin Templeton Mutual Fund A/C Franklin India				
	At the beginning of the year	1,329,451	3.44	-	-
	Bought during the year	160,000	0.41	1,489,451	3.85
	Sold during the year	(21,142)	0.05	1,468,309	3.79
	At the end of the year	-	-	1,468,309	3.79
6.	Pinebridge Investments Gf Mauritius Limited				
	At the beginning of the year	1,112,347	2.87	-	-
	Bought during the year	-	-	1,112,347	2.87
	Sold during the year	-	-	1,112,347	2.87
	At the end of the year	-	-	1,112,347	2.87
7.	HDFC Small Cap Fund				
	At the beginning of the year	1,034,826	2.68	-	-
	Bought during the year	210,561	0.55	1,245,387	3.22
	Sold during the year	-	-	1,245,387	3.22
	At the end of the year	-	-	1,245,387	3.22
8.	Franklin Templeton Investment Funds				
	At the beginning of the year	-	-	-	-
	Bought during the year	707,400	1.83	707,400	1.83
	Sold during the year	-	-	707,400	1.83
	At the end of the year	-	-	707,400	1.83
9.	Tata AIA Life Insurance Co Ltd-Top 200 Fund-ULIF				
	At the beginning of the year	511,363	1.32	-	-
	Bought during the year	-	-	511,363	1.32
	Sold during the year	(511,363)	1.32	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name	Shareholding at the beginning of the year i.e. April 1, 2018		Cumulative Shareholding at the end of the year i.e. March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10.	Stichting Depositary Apg Emerging Markets Equity Pool				
	At the beginning of the year	479,141	1.24	-	-
	Bought during the year	-	-	479,141	1.24
	Sold during the year	(479,141)	1.24	-	-
	At the end of the year	-	-	-	-
11.	Malabar India Fund Limited				
	At the beginning of the year	450,386	1.17	-	-
	Bought during the year	-	-	450,386	1.16
	Sold during the year	(450,386)	1.17	-	-
	At the end of the year	-	-	-	-
12.	Pinebridge Global Funds - Pinebridge India Equity				
	At the beginning of the year	340,760	0.88	-	-
	Bought during the year	-	-	340,760	0.88
	Sold during the year	(39,565)	0.10	301,195	0.78
	At the end of the year	-	-	301,195	0.78
13.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds				
	At the beginning of the year	286,320	0.74	-	-
	Bought during the year	13,566	0.04	299,886	0.77
	Sold during the year	(4,690)	0.01	295,196	0.76
	At the end of the year	-	-	295,196	0.76

Note: The shareholding is as per information received from the RTA.

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Details of each of the Directors and KMP including Benpos Date	Shareholding at the beginning of the year i.e. April 1, 2018		Cumulative Shareholding at the end of the year i.e. March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Priyadarshan Mundhra – Executive Director	9,684,379	25.07	-	-
	Sale of shares on 28/5/2018	(22,949)	0.06	9,661,430	24.96
	Receipt of Gift of shares on 5/6/2018	20,000	0.05	9,681,430	25.01
	Sale of shares (Inter-se transfer) on 6/6/2018	(8,000)	0.02	9,673,430	24.99
	Purchase of shares on 11/6/2018	90,000	0.23	9,763,430	25.22
2.	Anjan Malik – Non Executive Director	9,689,920	25.08	-	-
	Sale of shares on 28/5/2018	(28,490)	0.07	9,661,430	24.96
	Purchase of shares (Inter-se transfer) on 6/6/2018	8,000	0.02	9,669,430	24.98
	Purchase of shares on 11/6/2018	90,000	0.23	9,759,430	25.21

Sr. No.	Details of each of the Directors and KMP including Benpos Date	Shareholding at the beginning of the year i.e. April 1, 2018		Cumulative Shareholding at the end of the year i.e. March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Pradeep Kapoor – Chairman & Non Executive Independent Director	7,336	0.02	7,336	0.02
4.	Anish Ghoshal – Non Executive Independent Director	2	0.00	2	0.00
5.	Biren Gabhawala – Non Executive Independent Director	6,231	0.02	6,231	0.02
6.	Alok Goyal – Non Executive Independent Director	-	-	-	-
7.	Deepa Kapoor – Non Executive Independent Director	-	-	-	-
8.	Shailesh Kekre – Non Executive Independent Director	-	-	-	-
9.	Rohitash Gupta – Chief Financial Officer (KMP)	7,232	0.02	-	-
	Allotment of ESOP shares on 8/5/2018	2,933	0.00	10,165	0.03
10.	Pratik Bhanushali – Company Secretary and Compliance officer (KMP)	-	-	-	-
	Purchase of shares on 20/8/2018	1	0.00	1	0.00
	Purchase of shares on 19/9/2018	40	0.00	41	0.00

V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount				
ii. Interest due but not paid				
iii. Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction			NIL	
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 TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER FOR THE FY 2018-19

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and/ or Manager PD Mundhra	Total Amount
1.	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21.39	**21.39**
	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	-	-
4.	Commission	-	-
	a. as % of profit	-	-
	b. Others – Annual Performance Bonus	-	-
5.	Others, please specify	-	-
	Total	**21.39**	**21.39**
	Ceiling as per the Act	Within 5% of the Net Profit	

Note : The figures are on accrual basis.

VII. REMUNERATION TO NON – EXECUTIVE INDEPENDENT DIRECTORS

(Rupees in Million)

Sr. No	Particulars of Remuneration	Pradeep Kapoor	Anish Ghoshal	Biren Gabhawala	Alok Goyal	Deepa Kapoor	Shailesh Kekre	Total Amount
1.	Gross Salary							
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-	**-**
	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)	-	-	-	-	-	-	**-**
3.	Sweat Equity	-	-	-	-	-	-	**-**
4.	Commission							
	a. as % of profit	1.80	1.80	1.80	1.80	1.80	1.80	**10.8**
	b. Others specify	-	-	-	-	-	-	**-**
5.	Others – Sitting Fees	0.26	0.32	0.32	0.26	0.32	0.32	**1.80**
	Total	**2.06**	**2.12**	**2.12**	**2.06**	**2.12**	**2.12**	**12.60**

VIII. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO Rohitash Gupta	Company Secretary and Compliance officer Pratik Bhanushali	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12.92	3.13	**16.05**
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	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)	0.02	0	**0.02**
3.	Sweat Equity	-	-	-
4.	Commission			
	a. as % of profit	-	-	-
	b. Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	**12.94**	**3.13**	**16.07**

Note : The figures are on accrual basis.

IX. 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	NIL				
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

ANNEXURE IV

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

Disclosure under section 134(3)(m) of the Companies Act, 2013

I. Conservation of Energy

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 40% to 70% saving in energy cost for LED lighting as compared to conventional lights. The estimated cost for the same was about ₹ 4.7 million.

b. Automation to control Light fixtures: Installed motion sensors inside washrooms, meeting and conference rooms, to control the lighting fixture (ON/OFF) to save the electrical energy by switching off the lights automatically when area is unoccupied, saving up to 30% to 50% of electrical energy. The estimated cost for the same was about ₹ 0.32 million.

c. Energy Efficient Modular UPS Selection & Installation: 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 ₹10.63 million.

d. Energy efficient AC Selection & Installation: Energy Star rating Air Conditioners used in Data centers and hub rooms as backup to Floor Air Conditioning system which generally gives 20 % to 30% power efficiency at all times, as against a normal convectional Air-conditioning system. The estimated cost for the same was about ₹ 11.83 million.

e. Optimal temperature setting across various facilities that led to energy savings of 5-7%.

II. Technology Absorption

The efforts made towards technology absorption:

Technology forms a key part of the delivery that the company does across any client or service line. The company has invested in a large Software team that works closely with our clients and operations team to automate as many steps/sub-steps in the processes that we run for our clients. This Software team has developed a mature platform for robotics process automation called Roboworx which helps with automations of all repetitive steps in the processes that we execute for our clients. The team is now focused on working in the area of cognitive automation and is partnering with our clients to execute use cases in machine learning. We have successfully incorporated machine learning automation in many of our products and have been able to enhance service delivery capabilities through automation and/or optimization of resources used in any process. The Company has adopted various open-source platforms, as permissible, for its cognitive automation, big data and analytics practice. Our team is trained and certified on more than 50 market leading technologies.

The Company is also CMMI Level 3 apprised and its technology team has been a recipient of various industry leading awards which include the Dataquest Vertical Warrior Award, NetApp Innovation Award and Analytics India Summit Award.

III. Foreign Export Earning and Expenditure

(Rupees in Million)

	2018-19	2017-18
Total Foreign Exchange Earnings	11.131.48	10,492.98
Foreign Exchange Used	2,572.79	2,283.10

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 23, 2019

Pradeep Kapoor
Chairman

ANNEXURE V

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

ANNUAL REPORT ON CSR ACTIVITIES

A. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

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 organization 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.

In today's times, the role of Corporate Social Responsibility (CSR) is becoming extremely important as forward-thinking, socially conscious companies embed initiatives in their business practices that add value and benefit society, build healthy communities, enhance cultures while at the same time work towards environmental wellbeing. CSR is not an option anymore. It is a necessary element of doing business these days. CSR is now being looked at as a concept different from pure philanthropy and more in tune with strategic intervention that ultimately benefits industry itself and as a strategic intervention of giving back to the society.

The eClerx Cares Committee under the guidance of Board of Directors is responsible for championing all CSR initiatives of the Company. While the eClerx Cares Committee approves and monitors the project funding with different NGOs, the 'eClerx Cares Council' at each location champions our employee engagement initiatives. Over the years there has been a huge increase in the lives touched due to the tireless efforts of the eClerx Cares team.

Employee Engagement

Employees were encouraged to participate enthusiastically in the engagement activities laid out across the year. Given below is a list of employee engagement activities undertaken in this year:

- Payroll Giving – existing tie up with Nanhi Kali. Till date, more than 6,000 employees have contributed a part of their salaries towards payroll giving. eClerx as a responsible corporate matches contribution made by each employee. We currently sponsor the education of 300+ girl children through matching contribution of eClerx.
- A 200 strong contingent of eClerx employees participated in the Standard Chartered Mumbai Marathon pledging their support to the cause of education for the poor and downtrodden. We saw an increase of 50% for the professional run categories this year.
- 120 employees from our Pune office participated in the Heritage Walk organized by our partner NGO – SAMPARC, to promote the cultural heritage of Maharashtra and to promote the work done by SAMPARC in the Lonavala region.
- Annual Learn-and-Fun Day event for the students of schools when they visit eClerx offices for a day. We organized a tour of our office helping them understand the working of an MNC like ours and also encourage them to complete their education to aim for a better tomorrow.
- 'Joy of Giving' Month – We organized line-up of activities for the whole of October month which encouraged our employees to experience the real joy of giving through different means – by contributing through financial resources for our payroll giving program, by contributing through their time and effort to run for a cause, by contributing through additional unused resources at their homes to help our fellow citizens in rural areas, by contributing the precious resource of blood to save many lives, by contributing their skills to empower the children of our partner NGOs. More than 1,200 employees contributed through different means during the Joy of Giving month.
- eClerx organized stalls for our NGO partners to sell their products and merchandises to raise awareness about their work and help them raise funds. Our employees whole heartedly supported this initiative and bought their products to support a social cause.
- We organized three blood donation camps during the year where more than 1,300 employees contributed by giving the critical resource of blood saving hundreds of lives.
- Our employees supported Std. Xth passed government school students to fill up their online college admission forms in Mumbai and Pune, which helped them in selecting the right set of colleges for pursuing their further education.
- More than 200 employees came together to organize food, games and art stalls in our offices to raise funds for the education of girl children. More than 2,000 employees participated in this initiative and helped raise ₹ 30,000/-.

- We provided a platform for the children of our partner NGOs to perform at our annual day celebrations at each city in front of 2,000+ eClerx employees and encouraged them to pursue their interests in extra-curricular activities by awarding them certificates.
- Approximately half a ton of old and reusable material were contributed by our employees to Goonj, which undertakes disaster relief, humanitarian aid, and community development in the rural parts of India by reusing the excess material lying unused in the urban areas.
- A team of 40+ dedicated employees from Chandigarh takes turns to conduct basic computer training for more than 50 children from Jyoti Sarup Kanya Asra Society.
- A team of 18 volunteers from Mumbai are providing year-long personal mentoring to the children of government schools through our partner organization Mentor Me Foundation, to support the overall growth and well-being of these children.

Other Details:

B. Corporate Social Responsibility Policy:

The Company has in place Corporate Social Responsibility Policy.

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

CSR Policy of the company is available on the website of the Company https://eclerx.com/wp-content/uploads/2018/06/CSRPolicy.pdf

D. Composition of CSR Committee:

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

E. Average Profit Before Tax for last 3 Financial Years:

Financial Year	Profit (in Million)
2015-16	3,911.02
2016-17	4,053.91
2017-18	3,614.36
Total Profit	**11,579.29**
Average Profit	**3,859.76**

F. Prescribed CSR Expenditure (2% of the average profit):

₹ 77.20 million

G. Details of CSR spent during the financial year:

i. Amount spent during the Financial year: ₹ 77.23 million

ii. Amount unspent if any: Nil

iii. 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) projects or program wise (Rupees in Million)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overhead (Rupees in Million)	Cumulative Expenditure upto March 31, 2019 (Rupees in Million)	Direct or Implementing Agency*
1	Sanskriti Samvardhan Mandal	Child Education	Other - Maharashtra	2.55	2.55	2.55	Through Implementing Agency
2	Parivaar Education Society	Child Education	Other - West Bengal	5.04	5.04	5.04	Through Implementing Agency
3	Social Action for Manpower Creation	Child Education	Other - Maharashtra	11.9	11.9	11.9	Through Implementing Agency
4	Lend-a-Hand-India	Child Education	Local Area - Mumbai, Pune	9.44	9.44	9.44	Through Implementing Agency
5	Snehalaya	Child Education	Other - Maharashtra	6.04	6.04	6.04	Through Implementing Agency
6	Magic Bus India Foundation	Child Education	Local Area - Mumbai	4.87	4.87	4.87	Through Implementing Agency
7	Jyoti Sarup Kanya Aasra	Child Education	Local Area - Chandigarh	6.48	6.48	6.48	Through Implementing Agency
8	Kaveri Vanitha Sevashrama	Child Education	Other - Bangalore	2.6	2.6	2.6	Through Implementing Agency

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) projects or program wise (Rupees in Million)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overhead (Rupees in Million)	Cumulative Expenditure upto March 31, 2019 (Rupees in Million)	Direct or Implementing Agency*
9	NASSCOM Foundation	Child Education	Local Area - Mumbai, Pune and Chandigarh	8.82	8.82	8.82	Through Implementing Agency
10	Seva Sadan Society	Child Education	Local Area - Mumbai	3.3	3.3	3.3	Through Implementing Agency
11	BoscoNet	Child Education	Local Area - Mumbai	2	2	2	Through Implementing Agency
12	MentorMe Foundation	Child Education	Local Area - Mumbai	1	1	1	Through Implementing Agency
13	Aatmaja Foundation	Child Education	Local Area - Pune	0.8	0.8	0.8	Through Implementing Agency
14	Sewa International	Child Education	Local Area - Pune	0.5	0.5	0.5	Through Implementing Agency
15	Shanti Niketan Children Home Trust	Child Education	Local Area - Chandigarh	1	1	1	Through Implementing Agency
16	Tata Institute of Social Sciences	Child Education	Local Area - Mumbai, Pune and Chandigarh	0.81	0.81	0.81	Through Implementing Agency
17	K C Mahindra Trust A/c Nanhi Kali	Child Education	Local Area - Mumbai	1.25	1.25	1.25	Through Implementing Agency
18	Goonj	Disaster Relief	Other	1.52	1.52	1.52	Through Implementing Agency
19	United Way of Mumbai	Child Education	Local Area - Mumbai	0.34	0.34	0.34	Through Implementing Agency
20	Vijay Foundation Trust Association	Child Education	Other - Andhra Pradesh	1	1	1	Through Implementing Agency
21	The Jimmy S Bilimoria Foundation	Healthcare	Local Area - Mumbai	1.13	1.13	1.13	Through Implementing Agency
22	Impact Foundation (India)	Child Education	Local Area - Mumbai	1	1	1	Through Implementing Agency
23	CSR Lead & CSR Manager	Child Education (Admin Exp)	Other	2.2	2.2	2.2	Direct
24	Capacity building for CSR Staff	Child Education (Admin Exp)	Other	0.47	0.47	0.47	Direct
25	Travel Expenses of CSR Staff	Child Education (Admin Exp)	Other	0.55	0.55	0.55	Direct
26	Other Admin Expenses	Child Education (Admin Exp)	Other	0.62	0.62	0.62	Direct
	Total			**77.23**	**77.23**	**77.23**	

*** Details of implementing Agency(ies):**

eClerx Cares currently works with 10 NGOs for whom we have approved direct funding. Details of these NGOs and the projects are as below:

- SAMPARC: eClerx supports livelihood support for tribal underprivileged children of interior villages of Maharashtra, school and hostel facilities for tribal and orphan students, vocational training to school drop outs, and higher education support for senior girls of SAMPARC shelter home.
- Sanskriti Samwardhan Mandal: eClerx supports the expenses of running a school with 650+ children with a focus on quality education. Vocational Training Center – with an objective to empower unemployed rural youths with vocational skills making them self-reliant.
- Magic Bus: eClerx funds the Child Education Program by Magic Bus for 1,600+ children living in the slums of Kalwa in Navi Mumbai. The objective of this program is to develop the all-round holistic development of children from

underprivileged communities using sports as a medium by motivating and mentoring them to develop positive attitudes and behaviours in 3 life values (Education, Health and Gender), understand the importance of play and ensuring the development of socio-emotional skills. The Work Readiness program aims to help adolescents transit from their education to a sustainable livelihood by providing Career Guidance, Life-skills, Basic Spoken English and Computer Literacy skilling.

- Lend-A-Hand-India: eClerx funds to provide job and life skills training to young boys and girls as part of secondary school curriculum under 'Project Swadheen' in high schools all over Maharashtra. (Swadheen in Hindi means self-dependent). It provides students with hands-on experience in skills such as electrical wiring, welding, agriculture, animal husbandry, energy, environment, and home and health science. We currently support 22 schools covering 2,000+ students in Mumbai and Pune.
- Amar Bharat Vidyapeeth: eClerx funds education expenses of 1,700+ students from tribal places of West Bengal and Jharkhand that are studying in the Parivaar school at Kolkata.
- Snehalaya: We are currently supporting the expenses of the English Medium School that has 250+ children, after care support for children in the shelter home and basic computer training for 150+ students.
- Kaveri Vanitha Sevashrama: eClerx supports to cover education expenses of over 60 orphan children and conducts spoken English classes for over 3,000 students of 15 Government schools in rural Bangalore.
- Jyoti Sarup Kanya Aasra Society, Chandigarh: Girls home aiming to help the destitute, and abandoned girls. Currently there are 130+ girls ranging from two year infants to twenty three year olds. eClerx in the past has supported the development of a computer lab and construction of a new facility to accommodate increasing number of girls.
- Seva Sadan Society – Seva Sadan runs schools for underprivileged children and a shelter home for destitute women and girls. eClerx partnered with Seva Sadan for their English Medium school where children from marginalized communities learn.
- NASSCOM Foundation – eClerx partnered with NASSCOM Foundation to provide new age skills of digital analytics, computer programming, investment banking and non-voice CRM to over 600 students from tier 2 and 3 colleges from Mumbai, Pune and Chandigarh.
- Aarti Creative School – eClerx supports a bridge school for 150 students run by Aarti School in Kadapa, Andhra Pradesh. Students are brought into the mainstream education after they complete an year's bridge school to upskill.

H. Reason for not spending two percent of the average net profit of the last three Financial Years on CSR:

Not Applicable

I. A Responsibility Statement of the Corporate Social Responsibility Committee that the implementation and monitor of CSR policy is in compliance with CSR objectives and policy of the Company:

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

		Deepa Kapoor
Mumbai	**PD Mundhra**	Chairperson
May 23, 2019	Executive Director	CSR Committee

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr.No.	Particulars	
1	Corporate Identity Number (CIN)	L72200MH2000PLC125319
2	Name of the Company	eClerx Services Limited
3	Registered address	Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai – 400 023, Maharashtra, India
4	Website	www.eClerx.com
5	E-mail id	investor@eClerx.com
6	Financial Year reported	April to March
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	**Product Description** / **NIC Code Group** / **NIC Code Class** Information Technology Enabled Services / 631 / 6311
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Information Technology Enabled Services
9	Total number of locations where business activity is undertaken by the Company	Please refer 'Our Locations' section in the Annual Report
	a. Number of International Locations (Provide details of major 5)	
	b. Number of National Locations	
10	Markets served by the Company – Local/State/National/International	International and National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Rupees in Million)

Sr.No.	Particulars	2018-19	2017-18
1	Paid up Capital (₹)	387.11	386.29
2	Total Turnover (₹)	11,956.43	11,878.48
3	Total profit after taxes (₹)	2,096.13	2,781.19
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.00	2.00
5	List of activities in which expenditure in 4 above has been incurred:-		
	a. Child Area	51.77	47.90
	b. Health	1.13	-
	c. Skill Development	24.34	23.21

SECTION C: OTHER DETAILS

Sr.No.	Particulars	
1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company/Companies.	Two of the overseas Subsidiary Companies contribute towards business responsibility causes.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Sr.No.	Particulars	
1	DIN Number	00281165
2	Name	PD Mundhra
3	Designation	Executive Director

(b) Details of the BR head

Sr.No.	Particulars		
1	DIN Number (if applicable)	DIN: 00281165	PAN: AEJPG8265Q
2	Name	PD Mundhra	Rohitash Gupta
3	Designation	Executive Director	Chief Financial Officer
4	Telephone number	022 6614 8301	022 6614 8301
5	E-mail id	investor@eclerx.com	investor@eclerx.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Yes=Y/No=N)

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Wherever applicable, policy conforms to relevant national/international standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	NA	Y	Y	Y	NA	Y	Y	NA
		Wherever mandated by the applicable laws, rules and regulations, the policies have been approved by the Board and signed by the Executive Director.								

Sr.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	NA	Y	Y	Y
		The implementation of the policy is being overseen by the Committee/Director/Official, wherever mandated by the applicable laws, rules and regulations in force.								
6	Indicate the link for the policy to be viewed online?	Refer the Link given below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Wherever applicable, policy has been formally communicated to all relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* The Whistle Blower Policy is applicable to all stakeholder and takes care of grievance redressal from inside and outside organization

Sr.No.	Name of the Policy(ies)	Website Link
P1	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/04/eClerx-Code-of-Conduct-01.04.2019.pdf
	Policy for determining material events or information and its disclosures	https://eclerx.com/wp-content/uploads/2018/06/PolicyOnDisclosureOfMaterialEvents.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P2	Information Security Policy	Available on the Intranet
P3	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Environment, Health & Safety Manual	Available on the Intranet
	HR Policies	
P4	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/04/eClerx-Code-of-Conduct-01.04.2019.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P5	Environment, Health & Safety Manual	Available on the Intranet
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/04/eClerx-Code-of-Conduct-01.04.2019.pdf
P6	Environment, Health & Safety Manual	Available on the Intranet

Sr.No.	Name of the Policy(ies)	Website Link
P7	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/04/eClerx-Code-of-Conduct-01.04.2019.pdf
	Corporate Social Responsibility Policy	https://eclerx.com/wp-content/uploads/2018/06/CSRPolicy.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P8	HR Employee Handbook	Available on the Intranet
	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors	https://eclerx.com/wp-content/uploads/2019/04/eClerx-Code-of-Conduct-01.04.2019.pdf
	Corporate Social Responsibility Policy	https://eclerx.com/wp-content/uploads/2018/06/CSRPolicy.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P9	Information Security Policies and Data Privacy policies	Available on the Intranet

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

Sr.No.	Particulars	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors reviews the BR performance through the Business Responsibility Report annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BR Report is being published annually as a part of the Annual report and available on the website i.e.www.eclerx.com .

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

Sr.No.	Particulars	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?	• The Code of Conduct is applicable to the Board of Directors and employees of the Company including employees of subsidiaries and associate companies. The scope of the Code is extended to such persons as Board of Directors may deem fit. • The Code of Conduct, Whistle Blower Policy, Vigil Mechanism and Anti-Bribery Anti-Corruption Policy covers and extends to subsidiaries, Vendors, Suppliers, Contractors, NGOs and Others.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	• The Company in ordinary course of business, received notices from Tax Authorities, which are disclosed in the Notes to financial results. • As on March 31, 2019, no complaint is pending against the Company by any stakeholder viz. clients, employees, investors, Vendors, alliance partners, government/regulatory/local authorities. The Company received 17 complaints under the Sexual harassment, which were accordingly attended to and 1 complaint was under investigation at the end of the financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sr.No.	Particulars	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	• Asset Recovery Services: Company provides an environment friendly, safe and secure way to dispose off computer equipments There are four key features to this: (1) Scheduling, (2) Pick-Up, (3) Processing and (4) Reporting, wherein Company supports on check processing for a customer. • DocIntel, our document risk review platform works on scanned images of documents to extract details that are to be validated by our clients. This platform reduces the necessity of printing legal documents for a thorough validation against system by users (as they are used to marking progress on paper documents). • Avoidable Truck Roll: Company is among pioneers of this process wherein it helps minimise the Client representatives' visit of truck loads to customers' place hence saving in terms of carbon emission and fuel.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Since the Company operates in ITES, no products are offered as such.

Sr.No.	Particulars	
3	Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	• The Company uses GPS enabled mobile app technology, to optimize the route for employee transportation vehicles. • The Company has moved from conventional lighting to LED which is more energy efficient. • Similar process is followed in UPS Room as well, in order to enhance energy efficiency. • Thin-Clients used across facilities help in achieving energy efficiency. • Managed Print Services with the help of Access Card helps in reducing paper wastage/ink etc.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	• The House-keeping/Security are locally sourced in all facilities. • Vendor Invoice Management System has been launched for vendors. The said process helps in digitising small vendors wherein they can submit the invoices from their offices. Regular training is also provided to these Vendors.
5	Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The Environment, Health and Safety Policy guides Company's efforts on optimum and responsible use of resources, recycling, reuse.

Principle 3: Businesses should promote the wellbeing of all employees

Sr.No.	Particulars	
1	Please indicate the Total number of employees	Global headcount is more than 9,500
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis	
3	Please indicate the Number of permanent women employees	More than 2,700
4	Please indicate the Number of permanent employees with disabilities	13
5	Do you have an employee association that is recognised by management	Company does not have an employee association.
6	What percentage of your permanent employees is members of this recognised employee association?	Not Applicable
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/forced labour/ involuntary labour	0	0
Sexual harassment	17*	1
Discriminatory employment	0	0

*Total 17 cases of Sexual harassment were reported; all cases have been addressed satisfactorily within the defined timelines. Out of 17 cases, 1 case was unsubstantiated, 1 case was under investigation at the end of the financial year, in 7 cases the respondents were found to be guilty and appropriate actions were taken, 1 case was considered as closed as highest action possible was already taken under another policy violation and 7 cases were resolved through conciliation.

Sr.No.	Particulars	
8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	During the year under review, 47% of the employees participated in safety training and evacuation drills.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Sr.No.	Particulars	
1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	• Company continues to earmark a corpus every year for CSR activities, by supporting initiatives in education and child welfare to help measurably improve the lives of underprivileged. • Company works with local communities to provide computer training to help develop various IT skills. • Facilities design is done keeping in mind disabled employees. • Out of approx. 773 vendors, 64 vendors pertain to small and medium sized business. • The majority of Board of Directors comprises of independent directors, which helps in safeguarding interests of minority shareholders.

Principle 5: Businesses should respect and promote human rights

Sr.No.	Particulars	
1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The Company has implemented policies that cover various aspects of human rights specific to its employees as well as redressal mechanism and has included such policies' references for adherence in its agreement with vendors/suppliers/contractors.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No such complaints received.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Sr.No.	Particulars	
1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.	• The policy extends to Suppliers/Contractors/NGO's/others. • The Company has taken initiatives under Sustainable Procurement to assess the level of awareness/commitment to and support of green, local businesses by its Suppliers and Contractors.
2	Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	• Water conservation through sensor taps; • Minimal use of paper & plastics; • Communication channels like poster, videos on awareness of environment and safety; • Segregation of dry & wet garbage; • Wet garbage collected by landlord to convert it in manure; • Energy efficient UPS systems gives 96% to 99% power efficiency at all times due to advance power saving technology.

Sr.No.	Particulars	
3	Does the company identify and assess potential environmental risks? Y/N	Yes. The Company identifies and assesses potential environmental risks and as our contribution to the environment, elaborated below are the initiatives taken by the Company: • Water conservation through sensor taps • Minimal use of paper & plastics • Segregation of dry & wet garbage • Wet garbage collected by landlord to convert it in manure • Energy efficient UPS systems gives 96% to 99% power efficiency at all times due to advance power saving technology
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No such project is in place.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.	N.A.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	N.A.
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No such notice received.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

S. No.	Particulars	
1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	The Company is member of NASSCOM.
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	Yes. The Company engages responsibly with the concerned stakeholders for the overall advancement and improvement of the industry and the public good.

Principle 8: Businesses should support inclusive growth and equitable development

Sr.No.	Particulars	
1	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Company invests in following training programme: • Industry experts/stalwarts from specialized practice areas are invited for guest talks. • Tie-up with a global eLearning provider to upskill high potential managers on business, technology, and creative skills. • Internal job transfers enables the Company to systematically identify, assess and develop talent towards readiness for specific future needs. • Select senior managers are nominated for India's top rated post graduate analytics program. • Internal publications share insights gained from existing processes by applying analytics to deliver actionable insights.
2	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/ any other organization?	Programmes/projects on inclusive growth and equitable development are taken both in-house via eClerxCares Team as well as externally with the help of NGOs which have been listed in the Corporate Social Responsibility section in the Annual Report.
3	Have you done any impact assessment of your initiative?	Yes • NGOs are required to submit an impact analysis and report on funds utilization with the Company. • CSR Committee and the Board of Directors review all initiatives taken by the Company on periodic basis.
4	What is your company's direct contribution to community development projects - Amount in Rupees and the details of the projects undertaken?	The total CSR spend for FY 2018-19 was ₹ 77.23 million and the details of projects undertaken by the Company has been given in the Annual Report.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	All the initiatives under the CSR are taken up with the intent of delivering quantifiable long term benefits instead of adhoc activities. The continued and sustainable efforts in resolving a particular need, encourages increasing support from the local community thus helping in achieving the intended purpose(s).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr.No.	Particulars	
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	None
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).	eClerx is an ITES provider and hence this is not applicable to us.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	N.A.
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are carried out on a periodic basis.

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

In FY 2019, Indian IT and BPO industry clocked a growth of 7.9% and exports grew at a moderate rate of 9.2%. On the back of global uncertainties, NASSCOM (National Association of Software and Services Companies) has taken a 'cautiously optimistic' view of the domestic IT industry for FY 2020 and ICRA expects a flat growth rate in the range of 7-9% for FY 2020.

In terms of service offerings, the IT industry is seeing a growing shift towards areas such as digital, data analytics, and automation, with India being the leading country in Robotic Process Automation (RPA) deployment. The results of the NASSCOM CEO Survey for 2019-20 also validate this trend, as advanced analytics and artificial intelligence have emerged as the top technology priorities for over half of the CEOs (about 54%) in the IT Services industry.

II. BUSINESS PERFORMANCE

Financial Markets

In FY 2018–19, Financial Markets continued to see transition to managed services and output based contracts. We saw project spends being curtailed in our core accounts, which affected both offshore and onshore based projects. On the technology front, we expanded our book of work with the use of Robotic Process Automation and Machine Learning.

Digital

The Digital Services (DS) division continued its focus on key industry verticals in Tech, Retail, Fashion/Luxury and Travel with a more targeted service offer and client engagement model. The division grew its onshore consulting practice sharply in its core client markets as client demand and solution complexity continues to grow. Client adoption of Analytics, Robotic Process Automation and emerging technologies is a strong signal for higher mix technology centric solutions in the coming years. Despite an uncertain environment in the UK and EU, the Digital division experienced outsized growth in these markets in FY 2019.

Customer Operations

The Customer Operations business continued its focus on growing and diversifying its client base with encouraging results. The onshore delivery center, set up in FY 2017-18, saw growth in utilization and capacity and is witnessing increasing client interest.

Research and Development Centre

eClerx's technology Research and Development Centre in Airoli, Navi Mumbai was recognised by Government of India's Department of Scientific & Industrial Research in this financial year.

This Centre does research using technologies that include Big-data, Analytics, Machine Learning & Robotics Process Automations and has successfully commercialised many leading products including our flagship Robotics platform Roboworx®, Fleetstar, DocIntel and Compliance Manager.

This Centre comprises of a state of the art working laboratory and includes innovative technologies that help accelerating the design and development of our numerous, cutting-edge solutions. The frameworks and solutions developed at eClerx's Research & Development Centre helps to make global operational systems more effective, nimble, and reliable. Simultaneously, the resulting capabilities and IT and IT related infrastructure development helps to drive innovation, create differentiated services, scale up businesses and operate at significantly reduced cost.

The aggregate expenditure on Research and Development activities is as follows:

(Rupees in Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue expenditure	119.05	85.01
Capital expenditure	-	1.36

Infrastructure

In India, eClerx operates out of three cities, Mumbai and Pune in western India and Chandigarh in north India. Mumbai has eClerx's largest office, followed by Pune and Chandigarh. In FY 2018-19, the Company undertook consolidation of its Pune facilities whilst also increasing capacity to accommodate future growth. At the end of March 2019, the Company's India facilities had a total capacity of around 8,900 seats, out of which approximately 77% is utilised.

The Company also made progress on enhancing global capabilities by setting up of an organic onshore delivery center in the US in FY 2017-18 with a capacity of around 70 seats. This facility has now been expanded to around 225 seats. This will help eClerx address client needs, which cannot be met from offshore. At the end of FY 2018-19, the center is functioning at around 70% capacity.

Harnessing Talent

Our success is largely dependent on our ability to attract and nurture professionals with market-leading skills and capabilities while imbibing core organizational values of EPIC – Excellence, People, Integrity and Client amongst all employees. In 2019, we tapped some of the top colleges in the country to fuel our talent pipeline with diverse specializations. We also strengthened our award-winning Skill and Hire program for highly skilled professionals in analytics and other niche domains as we added a number of new learning offerings under this initiative. We have enhanced the coverage of our specialized skills recognition program that allows us to improve retention in skill areas of high demand.

To create a more open environment through continuous listening, we instituted engagement pulse surveys in partnership with a leading global HR consulting firm, where we aggregate feedback more broadly across employee lifecycles and at far more frequent intervals. This unique intervention aims to create an active engagement framework that facilitates responding swiftly to employee needs and design effective programme around it.

On the learning front, we rebooted our leadership development program for senior executives to enable them to explore & expand their leadership abilities. With a growth mind-set at its core, and aligned with the firm's values, we introduced a new set of leadership programs to drive transformational leadership, change, innovation and excellence.

We also made strategic investments in our learning infrastructure as we collaborated with a world-class cloud based learning system, to give our employees a learning platform that goes well beyond content management and course administration to a broader solution that enables social learning, crowdsourcing of content, advanced analytics and personalised learning paths. We believe that enabling anytime, anywhere, any device capabilities will be a key lever for driving learner engagement in the years to come.

Lastly, our learning function bagged yet another global industry recognition – this time the prestigious Brandon Hall Awards for Excellence in Learning and Development. We won the Gold award for 'Best Learning Program Supporting a Change Transformation Business Strategy' and a Bronze award for 'Best Advance in Competencies and Skill Development'.

We remain deeply committed to investing in our talent with industry best learning opportunities, which helps us deepen our domain knowledge, strengthen technology skills and leadership abilities.

III. OUTLOOK

We expect continuing shift to managed services contracts and continue to see opportunities to expand onshore consulting and delivery presence. Our focus on key product offerings that utilise our full spectrum of abilities in Onshore, Offshore and Technology should provide greater traction with existing clients in FY 2019-20. We also see contribution from Technology centric business process solutions increasing in FY 2019-20

IV. OPPORTUNITIES, THREATS, RISK AND CONCERNS

Risk management is an integral part of the 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. While our focus has been on highlighting likely adverse outcomes, many of these could also provide us opportunities if the outcomes happen to favor us. These risks include, but are not limited to:

Macro-economic risk	The Company derived 94% of its revenues during FY 2018-19 from US and Western Europe. Challenging business and economic conditions and protectionist policies in these markets and continued policy changes could enhance cost pressure on clients and thus may affect the Company adversely in a number of ways. The Company may witness a reduction in prices, or the loss of key projects and customers, in turn affecting the financial performance.
Concentration risk	The Company derived over 57% of its total revenues during FY 2018-19 from its top five clients. The concentration risk continues to be high. The Company's profitability and revenues would be significantly affected in case of loss of any of these clients or a significant downsizing or insourcing. Further, any mergers or acquisition of or by any of such large clients could cause change in outsourcing strategy thus limiting our business with those clients.
Currency risk	The Company derived around 81% of its revenues in US Dollars, 10% in Euros, and 9% 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.
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 disruptive technologies or offer a different service model or offer similar services at reduced prices. Such developments could harm the Company's business and results of operations.
Integration risk	The Company's past 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.

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 clients in those countries from outsourcing work to overseas entities like us, which could hamper our growth prospects in major markets. Any major export or tax incentive, if withdrawn or materially altered may have an adverse implication on our financials.
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 make transition to newer client demands quickly.
Personal data and Privacy Risk	There is increased sensitivity on the part of governments and regulators with respect to personal data and privacy. Failure to comply with current and/or new regulations or any cyber-attack could impact company's reputation and financial position.
Breach of data privacy and protection/ Non-Compliance to GDPR	Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Any violation or security breach, observed non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputational impact.

Mitigation Steps

- A global Privacy Policy is in place covering all GDPR related requirement, applicable geographies and areas of operations
- A new organizational unit has been set up to ensure compliance to various Data Privacy Regulations, including GDPR.
- Continued focus on employee related agreements with respect to Personally Identifiable Information (PII) and Sensitive Personal Data and Information (SPDI).
- Data protection by design is in place.
- Data breach notification process is in place.
- Data protection controls are a part of the engagement security management process.
- Documents/template/forms pertaining to the GDPR requirements are formed.
- DPO [Data Protection Officer] has been appointed and published on privacy notice.
- Robust risk response mechanisms are in place to cater to protection of sensitive data in the eClerx ecosystem as well as protection of such data in Client-managed networks in Offshore/Global Delivery Centres.
- Sensitive and complex engagements leverage industry standard practice of data masking technologies to protect PII and SPDI.
- Combination of enterprise-wide online training, educational tools, social media and other awareness initiatives regarding data privacy and protection and GDPR to foster a culture of awareness and responsibility among its employees.
- Data Protection Impact Assessments of all applications/processes both within eClerx enterprise systems and outside.
- Enhancement of vendor contracts.
- Formal Data Transfer Agreements for explicit agreements on data sharing.
- Information security management framework in place to secure & protect PII data.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of internal controls which 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 Indian Accounting Standards ('IndAS').

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 IndAS 110 on 'Consolidated Financial Statements'.

The following discussion and analysis should be read together with the consolidated IndAS financial statements of the Company for the financial year ended March 31, 2019.

i. RESULTS OF OPERATIONS

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

(Rupees in Million)

Particulars	2018-19	2017-18
Revenue from Operations	14,305.93	13,650.62
Other Income (net)	485.92	402.31
Total Revenue	**14,791.85**	**14,052.93**
Operating Expenses	11,229.80	9,987.48
EBITDA	**3,562.05**	**4,065.45**
Finance Costs	0.39	0.40
Depreciation and amortisation	446.92	482.42
Profit before Tax	**3,114.74**	**3,582.63**
Exceptional items - gain	-	212.59
Taxes	831.73	895.80
Minority Interest	0.38	(0.42)
Net Profit attributable to shareholders	**2,282.63**	**2,899.84**

a. Income

Income from operations

Income from operations increased to ₹ 14,305.93 million in the year under review from ₹ 13,650.62 million in the previous year registering a growth of 4.80%. This also includes income on account of export incentive under Service Exports from India Scheme (the 'Scheme'/'SEIS') of ₹ 325.48 million accounted during the year.

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 ₹ 485.92 million in the year under review as compared to ₹ 402.31 million in the previous year.

There was Foreign exchange gain of ₹ 99.74 million due to revaluation and realisation of foreign currency denominated assets and liabilities in the year under review as compared to gain of ₹ 59.75 million in the previous year (regrouped under Other Income).

Income from investments increased to ₹ 369.32 million in the year under review from ₹ 293.25 million in the previous year, primarily due to higher investible surplus available.

b. Expenditure

Operating expenses comprises of employee costs, software product development cost and other general and administrative expenses. The total operating expenses increased to ₹ 11,229.80 million in the year under review from ₹ 9,987.48 million in the previous year.

Employee costs increased to ₹ 7,868.94 million in the year under review from ₹ 6,924.56 million in the previous year, primarily due to annual increment and onshore head count increase.

Other expenses increased to ₹ 3,360.86 million in the year under review from ₹ 3,062.92 million in the previous year. The increase was primarily due to:

- Increase in rent by ₹ 88.80 million due to overlapping rent during consolidation of Pune delivery centre and expansion of onshore delivery centre.
- Increase in Legal and professional expenses by ₹ 46.19 million primarily due to review of new customer contracts.
- Increase in travel expenses by ₹ 29.19 million due to increase travel to customer locations.
- Increase in Rates and Taxes by ₹ 20.54 million due to registration & stamp duty of new Pune facility.
- Increase in Local Conveyance by ₹ 19.36 million due to increase in fuel cost and related costs.

- Increase in AMC & consumables by ₹ 14.34 million primarily due to AMC renewal and maintenance cost increase.
- Increase in cost of technical sub-contractors by ₹ 12.88 million in overseas subsidiaries on account of onshore projects.
- Increase in Electricity by ₹ 12.70 million due to overlapping period of new facility in Pune and expansion of onshore facility in Fayetteville.
- Increase in Subscription & Membership Fees by ₹ 12.67 million primarily due to additional subscription services for business development.
- Increase in Fair value loss by ₹ 11.84 million due to change in NAV of debt mutual fund.
- Increase in communication expenses by ₹ 10.78 million at onshore location, primarily due to expansion of onshore business.

c. Depreciation

Depreciation charge has decreased to ₹ 446.92 million in the year under review from ₹ 482.42 million, due to the expansion in Pune facility commissioned only in last quarter of the financial year.

d. Income Tax Expense

The Company's consolidated tax expense (including deferred taxes) reduced to ₹ 831.73 million in the year under review from ₹ 895.80 million in the previous year due to lower profit before taxes.

ii. FINANCIAL CONDITION

a. Share Capital

The Company has authorised capital of ₹ 500.10 million as on March 31, 2019. The issued, subscribed and paid up capital was ₹ 377.90 million of equity shares of ₹ 10 each in the year under review as compared to ₹ 381.41 million in the previous year. The change in paid up capital was primarily due to elimination of additional treasury shares purchased by eClerx Employee Welfare Trust during the financial year.

b. Other Equity

The reserves and surplus of the Company increased to ₹ 13,435.08 million in the year under review from ₹ 11,666.05 million in the previous year. Increase in other equity is primarily from:

- Addition of retained earnings & other comprehensive income by ₹ 2,228.03 million in the year under review and foreign exchange translation loss of ₹ 22.26 million;
- Cash flow hedge reserve reduction of ₹ 30.64 million and increase in Security Premium and Share based payment by ₹ 85.42 million.

c. Employee Benefit Obligations

Employee Benefit Obligations includes Gratuity, leave encashment and other employee benefits is at ₹ 1,109.02 million in the year under review which has decreased from ₹ 1,121.81 million in previous year primarily due to decrease in incentive to employee by ₹ 43.75 million which is partially offset by increase in Gratuity by ₹ 31.57 million due to regulatory change in gratuity limit.

d. Trade Payables

Decrease in trade payables to ₹ 116.06 million in the year under review from ₹ 204.70 million in the previous year primarily due to decrease in creditors of subsidiaries.

e. Borrowings

Borrowings by subsidiaries have decreased to ₹ 16.74 million in the year under review from ₹ 63.44 million in previous year due to repayment of part of working capital loan by subsidiary in Italy.

f. Other financial liabilities

Other financial liabilities includes Unpaid dividend, advance billing, accrued expenses and payables for capital expenditure, which have increased to ₹ 443.04 million in the year under review from ₹ 383.77 million in the previous year primarily due to increase in accrued expenses, liability for capital expenditure and increase in advance billing.

g. Fixed Assets

The Gross block of fixed assets as at March 31, 2019 was ₹ 5,327.78 million (of which ₹ 3,200.24 million is intangible asset) as compared to Gross block of fixed assets of ₹ 4,881.99 million (of which ₹ 3,247.16 million is intangible asset) as at March 31, 2018. During year under review, addition to Gross block (net off disposals) was ₹ 496.87 million and negative impact of Translation Exchange Difference was ₹ 51.08 million. Total addition to Gross block due to Pune delivery centre consolidation project was ₹ 310.78 million and expansion of Fayetteville delivery centre was ₹ 24.83 million.

h. **Investment**

Investment represent Non-Current investment of ₹ 2.40 million as at March 31, 2019 which is same as last year.

Current 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 ₹ 2,860.24 million during the year under review from ₹ 1,650.32 million in the previous year due to investment of retained earnings.

i. **Derivative instruments**

Company covers forex risk though hedging instrument as per Board approved policy. Derivative instrument fair valuation is routed through OCI. As at March 31, 2019 derivative instrument fair valuation was ₹ 207.33 million compared to ₹ 249.24 million as at March 31, 2018. Decrease is primarily due to MTM movement against hedged currency.

j. **Other financial assets**

Other financial assets includes unbilled revenue, premises & other deposits, recoverable expenses and other loans & advances. Other financial assets decreased as at March 31, 2019 to ₹ 1,305.06 million from ₹ 1,382.22 million as at March 31, 2018. Decrease is primarily in unbilled revenue by ₹ 145.50 million and increase in deposits due to incremental premises on lease, increase in recoverable expenses and other advance by ₹ 31.87 million and increase in long term bank deposit by ₹ 36.47 million.

k. **Other current and non-current assets**

Other current and non-current assets includes capital advance, tax credit, service tax and GST credits, duty benefit credits, prepaid advance and other advances. Other current & non-current asset increased as at March 31, 2019 to ₹ 875.48 million from ₹ 649.62 million as at March 31, 2018. Increase is primarily due to GST refund and export incentive receivable and the reduction of services tax credit and other tax credit due to refund received during the year.

l. **Trade Receivables**

Debtors increased marginally to ₹ 2,425.89 million as at March 31, 2019 from ₹ 2,328.47 million as at March 31, 2018. These debts are considered good and realisable and hence only small provision for doubtful debts has been made. The need for provisions is assessed based on various factors, including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors that could affect the customer's ability to settle. The Company monitors trade receivables closely.

m. **Cash and Bank Balance**

The cash and bank balances increased to ₹ 4,515.46 million as on March 31, 2019 from ₹ 4,402.67 million as at March 31, 2018. Cash and bank balances mainly represent bank balances in current and fixed deposit accounts due to increase in short term deposits placed with the banks.

n. **Deferred Tax (net)**

The Company has a net deferred tax asset of ₹ 70.63 million as at March 31, 2019 as compared to net deferred tax liability of ₹ 31.01 million as at March 31, 2018. Change is due to recognition of deferred tax asset primarily created on expansion of facility in Pune.

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)

Particulars	2018-19	2017-18
Net cash generated by/(used in)		
Operating activities	2,061.55	3,050.03
Investing activities	(2,308.30)	169.89
Financing activities	(538.71)	(3,035.09)
Effect of Exchange fluctuation on Cash and Cash Equivalents	11.41	93.20
Net (Decrease) / Increase in cash and cash equivalents	**(774.05)**	**278.03**

a. Cash flows from operating activities

(Rupees in Million)

Particulars	2018-19	2017-18
Profit before tax	3,114.74	3,795.22
Adjustments: Depreciation and Amortisation	446.92	482.42
Other and non-cash adjustments	87.85	46.57
Non operating income (net)	(354.83)	(301.49)
Effect of working capital changes	(300.06)	(26.88)
Cash generated from operations	**2,994.62**	**3,995.84**
Taxes paid	(933.07)	(945.81)
Net cash generated by operating activities	**2,061.55**	**3,050.03**

Cash generated from operations, post adjustments to profit before tax, has gone down from ₹ 3,050.03 million in previous year to ₹ 2,061.55 million in current year, registering a de-growth of 32.41% over the previous year primarily due to decrease in PBT by 17.93% and increase in working capital by ₹ 273.18 million.

b. Cash flows from investing activities

(Rupees in Million)

Particulars	2018-19	2017-18
Fixed asset (net)	(520.14)	(414.78)
Other investments (net)	(2,071.09)	297.29
Non operating income (net)	282.93	287.38
Net cash used in investing activities	**(2,308.30)**	**169.89**

During the year, Company had added fixed asset for Pune consolidation project and expansion of onshore delivery facility at Fayetteville. The Company had done net investment of surplus money during the year in bank fixed deposit and debt mutual fund, in previous year there was net redemption of investment for Buy-Back of shares.

c. Cash flows from financing activities

(Rupees in Million)

Particulars	2018-19	2017-18
Proceeds from equity issued	53.25	86.56
Buy-Back of equity shares	-	(2,603.31)
Finance Costs	(0.39)	(0.40)
Bank Loan (repaid)/taken	(46.70)	52.81
Purchase of treasury shares	(498.93)	(522.89)
Dividend paid including dividend tax	(45.94)	(47.86)
Net cash used in financing activities	**(538.71)**	**(3,035.09)**

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

Dividend paid during the year under review comprise of dividend pay out for previous year ended March 31, 2018 approved by the Members at the last Annual General Meeting.

During the year, company had bought its own shares through Trust under ESOP scheme worth ₹ 498.93 million (₹ 522.89 million in previous year).

Key Financial Ratios (Based on Consolidated Financials):

Ratios	2019	2018	Change
Debtors Turnover	5.88	5.96	-1.32%
Inventory Turnover	N.A.	N.A.	N.A.
Interest Coverage Ratio	7,986.51	9,488.05	-15.83%
Current Ratio	7.87	6.37	23.45%
Debt Equity Ratio# (with minority interest)	0.12%	0.53%	-76.99%
Operating Profit Margin	18.38%	23.30%	-21.13%
Net Profit Margin*	15.43%	20.63%	-25.19%
Return on net worth*	16.53%	24.07%	-31.35%

*Net profit margin and Return on Net worth are lower for the current year mainly on account of increase in Onshore delivery and consolidation of Company facilities in Pune.

The reduction in debt equity ratio is mainly on account of repayment of borrowings.

VII. 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 organization grew to more than 9,500 employees during FY 2018-19. To promote employee welfare, we organized blood donation camps, Yoga, CPR Training, PFT (Pulmonary Function Test) camp, Financial Planning for parents, Parenting workshop, PSA (Prostate Specific Antigen) camp, Dental camp, Eye check-up camp, Healthy Hair camp (VLCC). These initiatives received an overwhelming response from employees across locations.

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 defer 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

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a theory that derives success based on its critical pillars of Accountability, Fairness, Transparency, Assurance, Leadership and Stakeholder Management by achieving balance in interests of a Company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Being the system of rules, practices and processes by which a Company is directed and governed, Corporate Governance should be construed as a 'way of thinking' rather than a statement or a definition. Corporate Governance provides the framework for attainining the Company's objectives while encompassing practically every sphere of the management, from action plans and internal controls to performance measurement and corporate disclosures in most accountable and transparent manner.

The Company is committed to exercise the overall responsibilities rigorously and diligently throughout the organization, 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. Corporate governance philosophy of the Company aims at ensuring, among others, the accountability of Board of Directors and uniformity in its decisions towards all its stakeholders including clients, employees, and shareholders.

Strong governance practices have rewarded the Company in the sphere of improved share valuation, stakeholders' confidence and improved market capitalisation authorities.

Your Company is compliant with all the mandatory provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable. The details of compliance are as follows.

I. BOARD OF DIRECTORS

The Board of Directors meets atleast once a quarter to review quarterly results and consider other items on the Agenda. In addition to the quarterly meetings, the Board convenes its meetings as and when necessary. Committees of the Board usually meet before the Board meeting, or whenever the need arises for transacting business.

The tentative period in which the Board meetings for the next financial year would be held are decided in advance and published in the Annual Report as part of Shareholders Information. The Company Secretary drafts the agenda for each meeting, alongwith explanatory notes, in consultation with the CFO and Executive Director and other stakeholders, and circulates these in advance to the Directors. Any Board member can suggest inclusion of additional items in the agenda. The Company also uses video conferencing facility, as permitted, to enable participation of Directors at Board and Committee meetings.

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 8 (Eight) Directors, of which 1 (One) is Executive Director, 1 (One) is Non-Executive Director and 6 (Six) are Non-Executive Independent Directors including 1 (One) Independent Woman Director. The Chairman of the Board is a Non-Executive Independent Director.

The Board of Directors of the Company have taken on record declarations received from Independent Directors of the Company confirming that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and after undertaking due assessment of the veracity of the same and taking into consideration the annual declaration of independence submitted by Independent Directors, the Board of Directors confirm that, in their opinion, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the management.

The composition of Board of Directors and its Committees as given below, is consistent with the relevant provisions of Companies Act, 2013 and Listing Regulations.

Board and Committee Composition as on March 31, 2019								
Name	**Board**	**Audit Committee**	**Nomination & Remuneration Committee**	**Stakeholders' Relationship Committee**	**Corporate Social Responsibility Committee**	**Investment Committee***	**Risk Management Committee$**	**Buy-Back Committee#**
Pradeep Kapoor Non-Executive Independent Director - Chairman	Chairman	Member	-	Chairman	-	-	-	-
PD Mundhra Executive Director - Promoter	Member	Member	-	Member	Member	Member	Member	Chairman
Anjan Malik Non-Executive Director-Promoter	Member	-	Member	-	-	Member	-	Member
Anish Ghoshal Non-Executive Independent Director	Member	Member	Chairman	Member	Member	-	Chairman	Member
Biren Gabhawala Non-Executive Independent Director	Member	Chairman	Member	Member	Member	-	Member	-
Alok Goyal Non-Executive Independent Director	Member	-	Member	-	-	-	-	-
Deepa Kapoor Non-Executive Independent Director	Member	Member	-	-	Chairman	-	Member	-
Shailesh Kekre Non-Executive Independent Director	Member	-	-	-	-	-	Member	Member
Rohitash Gupta Chief Financial Officer	-	-	-	-	-	-	Member	-

- Chairman - Member

*Chairman of Investment Committee is elected by the Committee members at the meeting.

$Risk Management Committee was constituted on January 31, 2019 and was further re-constituted on March 14, 2019.

#Buy-Back Committee was constituted on March 14, 2019.

Note: There is no inter-se relationships between the Director on the Board of the Company.

b. Board Meetings and Procedures

The Board of Directors of the Company have complete access to any information pertaining to activities and operations of the Company. Further, respective functional heads are invited to attend Committee/Board Meetings to discuss their relevant internal audit matters 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.

c. Post Board meeting follow up system

The Company has an effective post Directors meeting follow up procedure. Update on the key open points is placed at the succeeding meeting(s) for information of the Board/ respective Committee. The Board has established procedures to periodically review Compliance Report pertaining to laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any.

d. **Details of Directors' attendance and other particulars as on March 31, 2019**

As mandated under Regulation 26 of the Listing Regulations and as informed to the Company, none of the Directors is a member of more than 10 (Ten) Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Committees across all public limited companies (listed or unlisted) in which he/she is a Director. Further, all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:

Name	Attendance at the last AGM held on Aug 29, 2018	No. of Board Meetings held and attended during the year						% of Attendance at Board Meetings Including Video Conference	Number of Directorships on the Board of Other Public Companies	Other Company Committee Positions	
		May 23, 2018	Aug 07, 2018	Nov 01, 2018	Jan 10, 2019	Jan 31, 2019	Mar 14, 2019			Member	Chairman
PD Mundhra	✓	✗	✓	✓	✓	✓	✓	83	-	-	-
Anjan Malik	✓	✓	✗	✓	✓	✓	✓	83	-	-	-
Pradeep Kapoor	✗	✓	✗	✓	✓	✓	✓	83	-	-	-
Anish Ghoshal	✓	✓	✓	✓	✓	✓	✓	100	1	-	-
Biren Gabhawala	✓	✓	✓	✓	✓	✓	✓	100	1$	1	1
Alok Goyal	✓	✓	✗	✓	◉	◉	✓	83	-	-	-
Deepa Kapoor	✓	✓	✓	✓	✓	✓	✓	100	-	-	-
Shailesh Kekre	✓	✓	✓	✓	✓	✓	✓	100	-	-	-

✓ - Present ✗ - Absent ◉ - Present through Video Conference

$ Mr. Biren Gabhawala is also a Non–Executive Independent Director in 3M India Limited, which is a listed entity.

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) other than eClerx Services Limited.

e. **Brief Profile of Director(s) seeking appointment/ re-appointment**

The required resolutions for appointment/re-appointment of the Director(s), at the forthcoming Annual General Meeting are included in the Notice convening this Annual General Meeting. The resolutions are accompanied by the profile of concerned Directors.

f. **Code of Conduct**

Pursuant to Regulation 17 of Listing Regulations, the Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company, which was further amended on January 31, 2019 as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The said code as effective from April 1, 2019 has been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2018-2019. A declaration to this effect signed by the Executive Director is given in this report.

g. **Code of Conduct on Prohibition of Insider Trading**

The Company has in place a Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('the Code') pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. 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, the Company has put in place a 'Pre-Clearance of Trade' mechanism which makes it mandatory for all the Designated Employees to obtain prior approval, before dealing in Company's securities, as per the threshold limit set out in the said Code. Pursuant to the Code, all the Designated Employees 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 getting covered under the definition of Designated Employees, subject to the Prohibition of Insider Trading Code and at the time of leaving the organization. The Code also provides for requisite post transaction disclosure(s) based on which the Company makes filing with the Stock Exchange(s), pursuant to the relevant SEBI Regulations.

The code of conduct to regulate, monitor and report trading by Insider(s) was amended on March 14, 2019 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, as effective from April 1, 2019 has been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

h. Code of Conduct for Independent Directors

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

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

Further, pursuant to the provisions of Act and the Listing Regulations, Independent Directors of the Company shall hold at least one meeting in a year without the attendance of Non-Independent Directors and the members of the Management. During the year under review, the said meeting was held on May 23, 2018.

i. Familiarization programme of Independent Directors

The details of the familiarization programme for Independent Directors have been provided in the Director's Report and it is also available on the website of the Company at the following link https://eclerx.com/investor-relations/corporate-governance/.

j. Skills/Expertise/Competence of the Board of Directors

The Board of Directors of the Company have identified Industry Expertise and Business Acumen, Corporate Governance, Quality Decision making, ability to contribute to Company's Growth and Sustainable Development as skills/expertise/competencies as required in the context of the Business of the Company to function effectively and which is possessed by the Board.

II. 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. Recommending to the Board, the appointment, remuneration and terms of appointment of the auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report 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(3)(c) 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. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets, 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 any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To review the functioning of the whistle blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the utilisation of loans and/or advances from/ investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Review the following information:
    a. Management discussion and analysis of financial condition and results of operations.
    b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
    c. Management letters/letters of internal control weaknesses issued by the statutory auditors.
    d. Internal audit reports relating to internal control weaknesses.
    e. The appointment, removal and terms of remuneration of the chief internal auditor.
    f. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations and.
    g. Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations.

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 considers 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 a gap of not more than one hundred and twenty days between two meetings.

The quorum requirement followed is two members or one third of the members of the audit committee whichever is greater, with minimum of two independent members present.

d. **Details of Audit Committee meetings held during the year and attendance of Committee Members are as follows :**

Name	No. of Audit Committee Meetings Held and Attended during the year					% of Attendance
	May 23, 2018	Aug 07, 2018	Nov 01, 2018	Jan 31, 2019	Mar 14, 2019	
Biren Gabhawala	✓	✓	✓	✓	✓	100
Pradeep Kapoor	✓	✗	✓	✓	✓	80
Anish Ghoshal	✓	✓	✓	✓	✓	100
Deepa Kapoor	✓	✓	✓	✓	✓	100
PD Mundhra	✗	✓	✓	✓	✓	80

✓ - Present ✗ - Absent

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 the Act 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 other senior managerial personnel of the Corporate Finance department of the Company, as may be required.

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 18th Annual General Meeting of the Company held on August 29, 2018.

III. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has constituted the Nomination and Remuneration Committee pursuant to Section 178 of the Act and the Listing Regulations.

a. Terms of reference:

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

i. 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.

ii. 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.

iii. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors.

iv. Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability.

v. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines.

vi. Decide/approve details of fixed components and performance linked incentives along with the performance criteria.

vii. Devise a policy on Board diversity.

viii. Formulate the criteria for evaluation of Independent Directors and the Board.

ix. The Nomination and Remuneration Committee shall formulate the Remuneration Policy of the Company.

x. The Nomination and Remuneration Committee shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to Senior Management.

11. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management. Senior Management would comprise of employees of the Company who are members of its core management team (employees in the cadre of Principal and above) excluding Board of Directors. This would comprise of all members of the management one level below the CEO/MD/WTD/Manager (including CEO/Manager, in case they are not part of the Board) which would cover employees in the cadre of Managing Principal and shall also include the Company Secretary and Chief Financial Officer.

b. **Details of Nomination and Remuneration Committee Meetings held during the year and attendance of Committee Members are as follows:**

Name	No. of Nomination & Remuneration Committee Meetings held and attended during the year					% of Attendance Including Video Conference
	May 23, 2018	Aug 07, 2018	Nov 01, 2018	Jan 31, 2019	Mar 14, 2019	
Anish Ghoshal	Present	Present	Present	Present	Present	100
Alok Goyal	Present	Absent	Present	Present through Video Conference	Present	80
Anjan Malik	Present	Absent	Present	Present	Present	80
Biren Gabhawala	Present	Present	Present	Present	Present	100

- Present - Absent - Present through Video Conference

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 Board's report.

d. **Nomination & Remuneration Policy:**

In terms of Section 178 of the Act 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. This policy which 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, was amended on January 31, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The said policy, as effective from April 1, 2019, has been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

e. **Details of remuneration paid/payable to Directors for FY 2018-19 are as follows:**

(Rupees in Million)

Name	Salary & Perquisites	Remuneration to Independent Directors#	Sitting Fees	Total
PD Mundhra	21.39	-	-	**21.39**
Anjan Malik	-	-	-	**-**
Pradeep Kapoor	-	1.80	0.26	**2.06**
Anish Ghoshal	-	1.80	0.32	**2.12**
Biren Gabhawala	-	1.80	0.32	**2.12**
Alok Goyal	-	1.80	0.26	**2.06**
Deepa Kapoor	-	1.80	0.32	**2.12**
Shailesh Kekre	-	1.80	0.32	**2.12**

#Remuneration to Independent Directors for FY 2018-19 would be paid in June 2019.

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 which is within the ceiling prescribed under the Act and no sitting fee is paid to Non-Executive Non-Independent Director.

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

ii. Remuneration to Non-Executive Independent Director

The Remuneration is paid within the monetary limit approved by the Members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the provisions of the Act and such other applicable regulations, subject to an amount of ₹ 1.80 million p.a. The details of the remuneration paid to the Non-Executive Independent Director for FY 2018-19 is given in paragraph (e) above.

iii. Criteria of making payments to Non-Executive Independent Directors

Members of the Company vide Special Resolution passed at Annual General Meeting held on July 17, 2015 approved the payment of remuneration to Non-Executive Independent Directors of the Company. The said remuneration is subject to an aggregate limit of sum not exceeding 1% of net profit of the Company for respective financial year, as calculated in accordance with the provisions of the Act provided that such amount shall not exceed ₹ 1.80 million p.a. per Non-Executive Independent Director in addition to the fee payable to them for attending the meeting of Board of Directors of the Company or any Committee(s) thereof.

The Nomination and Remuneration Committee at its Meeting held on May 23, 2018 considered and accordingly recommended the payment of remuneration of ₹ 1.80 million p.a. to each of Non-Executive Independent Directors of the Company for FY 2018-19, which was approved by the Board at its Meeting held on the same day. The remuneration would be paid in proportion to the term served by the Director in respective financial year.

iv. Remuneration to Whole-Time Director:

The Executive Director is entitled to salary of ₹ 13.80 million p.a. In addition to that, he is also entitled to Annual Performance Bonus, not exceeding ₹ 13.80 million p.a., which is merit based and takes into account the Company's performance. The Nomination and Remuneration Committee at its meeting held on March 14, 2019, recommended 55% of the eligible bonus amount as Annual Bonus for the FY 2018-19, to be paid to Mr. PD Mundhra, Executive Director amounting to ₹ 7.59 million and the Board of Directors approved the same at the meeting held on May 23, 2019.

Mr. PD Mundhra offered to forgo his annual remuneration increment for the Financial Year 2019-20 conveying that he believed that the current remuneration reflected fair value for his contribution to the organization. The Board of Directors at its meeting held on May 23, 2019, accepted his proposal. Mr. PD Mundhra has not taken any increment in the monthly salary per-se, since Financial Year 2011-12.

Mr. PD Mundhra holds 9,763,430 shares of the Company as on March 31, 2019.

f. Details of shareholding of Non-Executive Directors as on March 31, 2019:

Sr. No.	Name of the Director	No. of Shares
1	Anjan Malik	9,759,430
2	Pradeep Kapoor	7,336
3	Anish Ghoshal	2
4	Biren Gabhawala	6,231
5	Alok Goyal	Nil
6	Deepa Kapoor	Nil
7	Shailesh Kekre	Nil

g. Details of options held by Non-Executive Independent Directors as at March 31, 2019 during the year ended on that date:

The Company had granted options to its Independent Directors in the past. However, effective from Financial Year 2013-14, the Company stopped granting ESOPs to Independent Directors of the Company in view of the provisions of the Act and Listing Regulations. As on March 31, 2019, there are no outstanding options held by Non-Executive Independent Directors of the Company.

IV. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

a. Details of Stakeholders' Relationship Committee meetings held during the year and attendance of committee members are as follows :

Name	No. of Stakeholders' Relationship Committee Meetings Held and Attended during the year				% of Attendance
	May 23, 2018	Aug 07, 2018	Nov 01, 2018	Jan 31, 2019	
Pradeep Kapoor	✓	✗	✓	✓	75
Anish Ghoshal	✓	✓	✓	✓	100
PD Mundhra	✗	✓	✓	✓	75
Biren Gabhawala	✓	✓	✓	✓	100

✓ - Present ✗ - Absent

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

Name, designation and address of Compliance Officer:

Pratik Bhanushali
Company Secretary and Compliance Officer
Sonawala Building, 1st Floor, 29 Bank Street,
Fort, Mumbai – 400 023, Maharashtra, India.
Ph. No.: +91 (22) 6614 8422 Fax No.: +91 (22) 6614 8655
Email: investor@eClerx.com

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

The status of shareholders' complaints received and resolved by the Registrar & Transfer Agent during the year is given below:

Status	No. of complaints
As on April 1, 2018	Nil
Received during the year	37
Resolved during the year	37
As on March 31, 2019	Nil

There was no complaint pending as on March 31, 2019.

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act 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 atleast 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.

Details of CSR Committee meetings held during the year and attendance of Committee Members are as follows:

Name	No. of CSR Committee Meetings Held and Attended during the year				% of Attendance
	May 23, 2018	Aug 07, 2018	Nov 01, 2018	Jan 31, 2019	
Deepa Kapoor	Present	Present	Present	Present	100
Anish Ghoshal	Present	Present	Present	Present	100
PD Mundhra	Absent	Present	Present	Present	75
Biren Gabhawala	Present	Present	Present	Present	100

- Present - Absent

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

The constitution of the Corporate Social Responsibility Committee is in line with the provisions of Companies Act, 2013. The Company Secretary of the Company acts as Secretary to the Committee.

VI. INVESTMENT COMMITTEE

With a view to enable approval for investment(s) upto ₹ 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. 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, no meeting of the Investment Committee was held.

VII. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21(1) of Listing Regulations, the Board of Directors of the Company at its meeting held on January 31, 2019 constituted Risk Management Committee *inter-alia* to perform the following functions:

- Oversee the implementation of the risk management policy and the EWRM framework.
- Periodic assessment and prioritizing of risks that affect the operations of the Company.
- Identify and review the Company's risk appetite for various elements of risk including cyber security.

- Review the risk management practices and recommend changes to ensure its adequacy.
- Monitor the implementation of the risk mitigation plans including mitigation of cyber security risk.
- Such other functions as the Board may determine from time to time.

Risk Management Framework

Risk Management framework is the process of identification, assessment, and prioritization of risks with the purpose of application of resources to minimise, monitor, and control the likelihood and/or impact of unfortunate events identified as risks. The purpose of the risk management framework is to assist the Board in identification, evaluation and mitigation of operational, strategic and external environment risks.

The 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.

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

The Risk Management Committee was re-constituted on March 14, 2019 by the Board of Directors of the Company.

As on March 31, 2019, following is the constitution of the Risk Management Committee :

Name	Designation in the Committee
Anish Ghoshal	Chairman
Biren Gabhawala	Member
Shailesh Kekre	Member
PD Mundhra	Member
Deepa Kapoor	Member
Rohitash Gupta	Member

During the Financial year, no meeting of the Risk management Committee was held.

VIII. BUY-BACK COMMITTEE

The Board of Directors of the Company, at its meeting held on March 14, 2019, constituted a Buy-Back Committee to monitor and undertake all necessary actions for implementation of the Buy-Back process.

During the financial year, no meeting of Buy-Back Committee was held. However, a meeting of the Buy-Back Committee was held on April 26, 2019 to finalise the terms of the Buy-Back of equity shares of the Company which was approved by the Board of Directors at its meeting held on March 14, 2019 and by the shareholders on April 25, 2019 through postal ballot.

The attendance details of the Buy-Back Committee meeting as referred above is as follows :

Name	Buy-Back Committee Meeting Held and Attended on	% of Attendance Including Video Conference
	Apr 26, 2019	
PD Mundhra		100
Anjan Malik		100
Shailesh Kekre		100
Anish Ghoshal		0

- Present - Absent - Present through Video Conference

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

IX. GENERAL BODY MEETINGS

a. Annual General Meeting:

The location and time of the last 3 (Three) Annual General Meetings (AGMs) of the Company are given below:

Year	Date	Time	Venue
2017-18	August 29, 2018	10.15 a.m	Walchand Hirachand Hall, Indian Merchants Chamber, LNM IMC Building, Churchgate, Mumbai 400 020.
2016-17	August 22, 2017	10.15 a.m	
2015-16	July 13, 2016	10.15 a.m	

b. Extraordinary General Meeting:

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

c. Special Resolutions passed:

No Special Resolutions were passed in the previous 3 (Three) AGMs.

d. Postal Ballot:

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

Particulars	Date of Declaration of Result	% of Vote in Favour as against Total Valid Votes
Amendment of the Employee Stock Scheme/Plan 2015	October 26, 2018	80.98%
Re-appointment of Mr. Pradeep Kapoor (DIN: 00053199) as Non-Executive Independent Director–Chairman of the Company	October 26, 2018	94.71%
Re-appointment of Mr. Anish Ghoshal (DIN: 00276807) as Non-Executive Independent Director of the Company	October 26, 2018	94.71%
Re-appointment of Mr. Biren Gabhawala (DIN: 03091772) as Non-Executive Independent Director of the Company	October 26, 2018	99.95%
Re-appointment of Ms. Deepa Kapoor (DIN: 06828033) as Non-Executive Independent Director of the Company	October 26, 2018	99.99%
Re-appointment of Mr. Alok Goyal (DIN: 05255419) as Non-Executive Independent Director of the Company	March 26, 2019	89.78%

There is no special resolution, which is proposed to be conducted through Postal Ballot.

Person who conducted Postal Ballot exercise

Ms. Savita Jyoti of M/s. Savita Jyoti Associates, Practicing Company Secretary, Hyderabad, was appointed as Scrutinizer by the Board of Directors for conducting all the above mentioned Postal Ballots in a fair and transparent manner.

Procedure for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act read with the related Rules, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company had engaged the services of its Registrar and Transfer Agent viz. Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited), for the purpose of providing e-voting facility to all its Members. The Members were given the option to vote either by physical ballot or Remote e-voting.

The Company dispatched the Postal Ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appeared on the Register of Members/list of Beneficiaries as on a cut-off date. The Postal Ballot notices were sent to Members in electronic form to the e-mail Ids which were registered in the records of the Depository Participants/the Company's Registrar and Share Transfer Agent and were dispatched through permitted physical mode along with self-addressed postage pre-paid envelopes to the Members whose e-mail Ids were not registered. The Company also published 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 were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members were requested to return the forms duly completed and signed, to the scrutinizer or to cast their vote electronically on or before the close of voting period.

The scrutinizer submitted her report to the Chairman after the completion of scrutiny and the consolidated results of the voting by Postal Ballot were then announced by the Chairman. The results were also displayed on the website of the Company www.eClerx.com, besides being communicated to the Stock Exchanges where the securities of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. The last date specified by the Company for receipt of duly completed Postal Ballot forms or for e-voting is deemed to be the date of passing of the resolution.

e. Evaluation of Board and Committee:

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

f. 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 shareholders' 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 Act 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 reviews 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.

This policy was amended on November 1, 2018 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The said policy as effective from April 1, 2019 has been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

X. 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 forming part of the Annual 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 3 (Three) years.

c. Pursuant to Listing Regulations and the Act, 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 the website of the Company at the web-link https://eclerx.com/investor-relations/corporate-governance/.

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 appropriate.

e. During the FY 2018-19, requisite information as mentioned in Part A of Schedule II of Listing Regulations was 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. Aneja Advisory Private Limited, Chartered Accountants (Firm Membership No.: 100404W), Internal Auditor of the Company, makes periodic 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 along with a report on the significant developments of the unlisted subsidiary companies, as required, are periodically placed before the Board of Directors of the Company. The Company does not have any unlisted material subsidiary in India as per the Listing Regulations.

i. The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and notified by the Central Government have been complied with by the Company.

j. During the FY 2018-19, total fees for all services paid by eClerx Services Limited & Subsidairies, on consolidated basis, to M/s. S.R. Batliboi & Associates LLP, Mumbai (ICAI FRN: 101049W/E300004), the Statutory Auditors of the Company, including all entities in the network firms/network entities of which the Statutory Auditor is a part, as included in the consolidated financial statements of the Group is as follows:

	Rupees in Million
Fees for audit and related services	12.35
Other fees for non-audit related services	8.40
Total fees	20.75

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

Total 17 cases of sexual harassment were reported; all cases have been addressed satisfactorily within the defined timelines. Out of 17 cases, 1 case was unsubstantiated, 1 case was under investigation at the end of the financial year, in 7 cases the respondents were found to be guilty and appropriate actions were taken, 1 case was considered as closed as highest action possible was already taken under another policy violation and 7 cases were resolved through conciliation.

XII. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis Report for the Financial Year 2018-19, as per the requirements of the Listing Regulations, is given as a separate section forming part of the Annual Report.

XIII. 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 securities of the Company are listed and the same are published in Business Standard and Sakal/Navshakti. 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 also submitted to the Stock Exchanges and displayed on the Company's website. The Company's website also displays the official news releases.

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

XIV. 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	Thursday, August 29, 2019
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 (2019-20) (Tentative)	**Declaration of Results for the Quarter Ending on** — **Tentative Board Meeting Schedule** June 30, 2019 — First fortnight of August 2019 September 30, 2019 — First fortnight of November 2019 December 31, 2019 — Last fortnight of January 2020 March 31, 2020 — Last fortnight of May 2020 20th Annual General Meeting — Last fortnight of August 2020
Date of Book Closure	Friday, August 23, 2019 to Thursday, August 29, 2019 (both days inclusive).
Dividend payment date	After Thursday, August 29, 2019, but within the statutory time limit of 30 days, subject to Members' approval
Shares held in physical form	Members 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: • Email addresses or any change thereof. • Any change in their address/mandate/bank details. • Particulars of the bank account in which they wish their dividend to be credited, in case they have not furnished earlier. • Members are informed 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 instruments as a measure of protection against fraudulent encashment. All Members of the Company holding equity shares in physical form should note that pursuant to provisions of the proviso to Regulation 40(1) of the Listing Regulations read with press release no.12/2019 dated March 27, 2019 issued by SEBI, with effect from April 1, 2019, the request for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, Members are requested to take note of the same and get such equity shares dematerialized at the earliest.
Shares held in electronic form	Members holding shares in electronic form may please note that: • Instructions regarding bank details which they wish to incorporate in future Dividend Warrants/Demand Drafts 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/Demand Drafts, as furnished by these Depositories to the Company. • For receiving Company correspondences in electronic form, the Members should register their email addresses with their respective DPs. • 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 Financial Year 2019-20.
ISIN number	INE738I01010
BSE code	532927
NSE symbol	ECLERX
Registered office	Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai – 400 023.
Corporate office & Delivery Facilities in India	• 4th Floor, Express Towers, Nariman Point Mumbai – 400 021. • Building No. 11, 4th, 5th & 6th Floor, Building No. 14, 4th & 5th Floor, K Raheja Mindspace, Plot No. 3, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708. • Block 1, LG, 1st, 2nd, 3rd Floor, Wing A & 4th floor, Wing A & B, Quadron Business Park, Embassy Quadron Rajiv Gandhi Infotech Park Hinjewadi Phase 2, 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 Agent (R&T Agent)	Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad–500 032, Telangana. Ph. Nos.: +91 (40) 6716 1569 Fax No.: +91 (40) 2342 0814 Email: balaji.reddy@karvy.com /einward.ris@karvy.com
Share Transfer System	About 99.99% of the equity shares of the Company are in dematerialized form. Transfer of these shares is effected through Depositories without involvement of the Company. As regards transfer of shares in physical form, the same are processed and approved upon receipt, and the certificates are returned to the Members within 30 days from the date of receipt (subject to the documents being valid and complete in all respects). During the year, the Company did not receive any request for transfer of physical shares. All Members of the Company holding Equity Shares in physical form should note that pursuant to provisions of the proviso to Regulation 40(1) of the Listing Regulations read with press release no.12/2019 dated March 27, 2019 issued by SEBI, with effect from April 1, 2019, the request for transfer of securities shall not be processed unless the securities are held in dematerialized form with a Depository. Accordingly, Members are requested to take note of the same and get such equity shares dematerialized at the earliest.
Dematerialization of shares	All requests for dematerialization 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 dematerialization are reported to the Board/Stakeholders' Relationship Committee for its noting.
Liquidity of shares	The market lot of the share of your Company is one share. Non-Promoters' holding is about 49.47%.
Shares in dematerialized mode	The shares of the Company are compulsorily traded in dematerialized form. The shares of the Company are admitted for trading under both depository systems in India: NSDL and CDSL. A total number of 387,11,072 equity shares of the Company constituting over 99.99% of the Company's equity shares were in dematerialized mode as on March 31, 2019. A total of 23 equity shares are in physical mode as on March 31, 2019.
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, M/s. S.R. Batliboi & Associates LLP, Mumbai (ICAI FRN: 101049W/E300004) 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.

Certificate from Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors.	The Company has obtained a certificate from M/s. Savita Jyoti Associates, Practising Company Secretary (FCS No. 3738) dated May 9, 2019 confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority, is annexed and forms part of the Report on Corporate Governance.
Commodity price risk or Foreign exchange risk and hedging activities	Your Company does not have any commodity price risk. Please refer Notes to Standalone Financial Statements – Note No. 35 for foreign exchange risk and hedging activities.
Unclaimed Dividend	Pursuant to the Section 124, 125 and other applicable provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of transfer to such Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund ('IEPF') established by the Central Government.
Transfer of Equity shares to IEPF	The equity shares in respect of which dividend has not been paid or claimed for 7 (Seven) consecutive years or more from the date of declaration will also be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the Rules.

Details of Unclaimed Dividend

Year	Nature of Dividend	Dividend Per Share (in Rupees)	Date of Declaration	Due Date for Transfer	Amount* (in Rupees)
2011-12	Final Dividend	17.50	August 23, 2012	September 22, 2019	1,67,370.00
2012-13	Final Dividend	25.00	August 22, 2013	September 22, 2020	187,350.00
2013-14	Final Dividend	35.00	July 10, 2014	August 10, 2021	3,01,035.00
2014-15	Final Dividend	35.00	July 17, 2015	August 17, 2022	196,490.00
2015-16	Final Dividend	1.00	July 13, 2016	August 13, 2023	15,181.00
2016-17	Final Dividend	1.00	August 22, 2017	September 22, 2024	16,615.00
2017-18	Final Dividend	1.00	August 29, 2018	September 28, 2025	15,670.00#

*Amount unclaimed as on March 31, 2019

#Amount unclaimed as on April 30, 2019

The details of the Members whose unpaid/unclaimed dividend will be transferred to IEPF as per the due dates mentioned above is available on the website of the Company https://eclerx.com/investor-relations/stock-infomations-corporate-actions/unclaimed-amount/.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund during the Financial Year 2018-19

Year	Nature of Dividend	Dividend Per Share (in Rupees)	Amount (in Rupees)	Date of transfer to IEPF
2010-11	Final Dividend	10.00	260,122.00	November 9, 2018

Amounts transferred to Investor Education and Protection Fund till date:

Particulars	Amount (in Rupees)
Final Dividend 2010-11	260,122.00
Final Dividend 2009-10	175,590.00
Interim Dividend 2009-10	203,470.00
Final Dividend 2008-09	149,678.00
Interim Dividend 2008-09	87,484.00
Final Dividend 2007-08	73,386.00
Unclaimed IPO Refund	239,400.00

Details of Unclaimed shares as provided by our RTA i.e. Karvy Fintech Private Limited (formerly 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, 2018	18	670
2	Number of shareholders who approached the Company to claim aforesaid unclaimed shares and to whom the shares were transferred	3	72
3	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2019	15	598

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.

Transfer of Shares to IEPF

In terms of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, shares of Memebrs who have not claimed the dividends for the continuous 7 (Seven) years considering the due date of September 23, 2018 have been transferred to IEPF Authority. The details of transferred shares is available on https://eclerx.com/investor-relations/stock-infomations-corporate-actions/unclaimed-shares/.

Claiming of unclaimed dividends before transfer to IEPF

Members are advised to make their claim for the unclaimed dividends in respect of the shares held by them, by writing to our RTA, Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad–500 032, Telangana.

Claiming of shares/dividends after transfer to IEPF

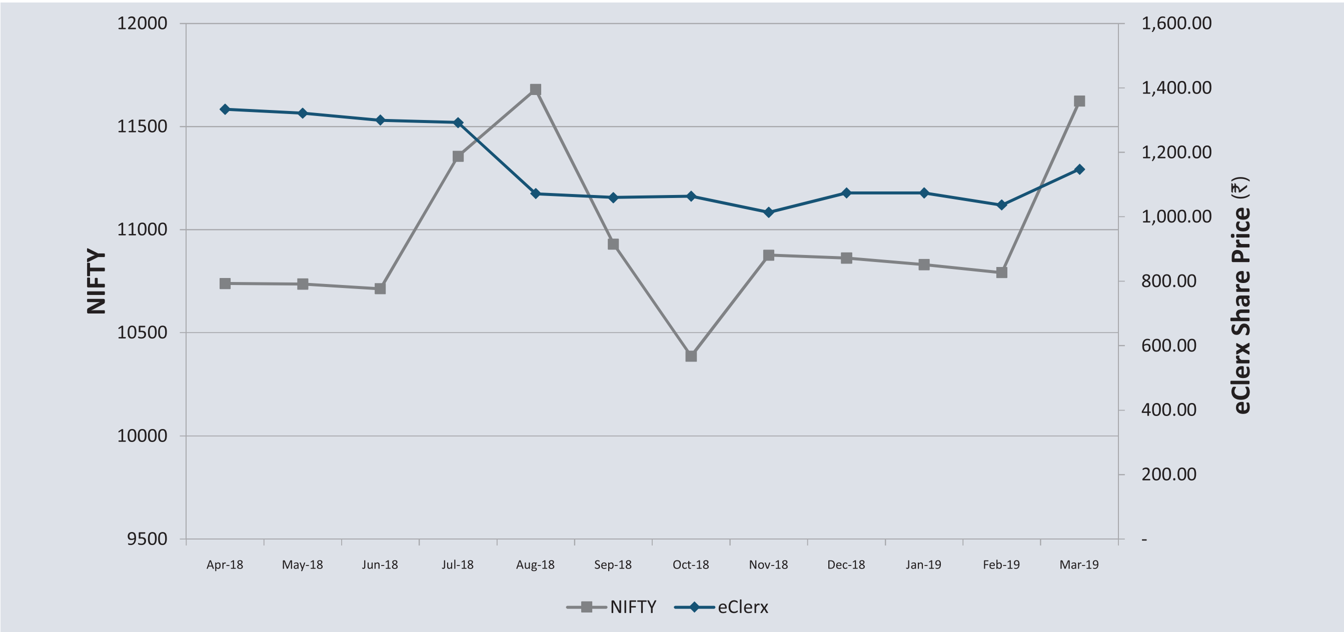
In case you wish to claim the shares/Dividend(s) after its transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the IEPF Rules and the same is available on IEPF website i.e. www.iepf.gov.in.

Market Price Data

(Rupees per share)

Month	BSE		NSE	
	High (Rupees)	Low (Rupees)	High (Rupees)	Low (Rupees)
Apr-18	1,390.00	1,200.00	1,397.00	1,201.30
May-18	1,383.10	1,266.05	1,386.70	1,251.15
Jun-18	1,355.70	1,250.00	1,367.50	1,260.00
Jul-18	1,320.00	1,220.00	1,319.50	1,225.00
Aug-18	1,289.00	1,064.20	1,298.90	1,061.00
Sep-18	1,190.00	1,029.90	1,194.25	1,033.25
Oct-18	1,108.65	1,000.00	1,111.00	1,015.00
Nov-18	1,230.50	1,006.50	1,229.50	1,001.15
Dec-18	1,125.00	1,013.65	1,130.00	1,005.30
Jan-19	1,117.00	991.00	1,113.75	985.15
Feb-19	1,065.00	958.00	1,076.35	976.00
Mar-19	1,179.00	1,022.45	1,174.95	1,020.10

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

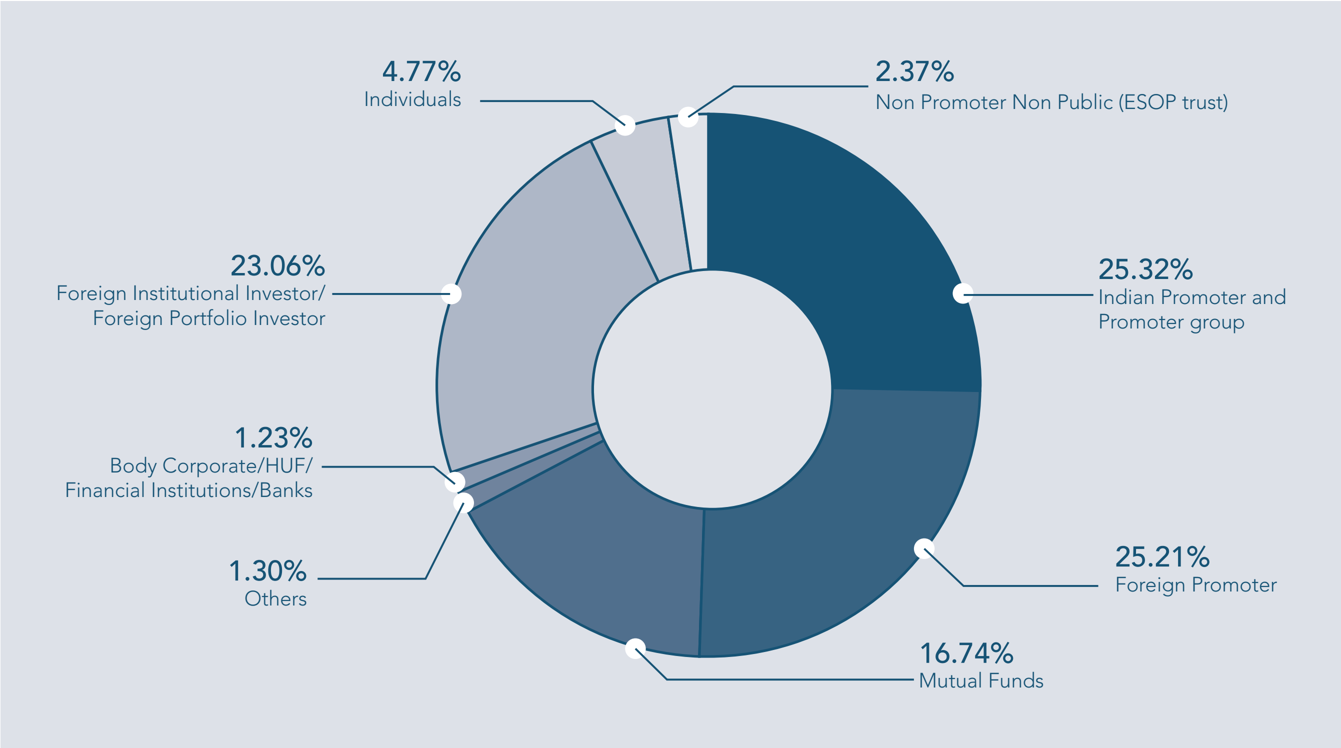


Distribution of Shareholding as at March 31, 2019

Category	Number of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1-5000	35,246	99.65	22,41,356	5.79
5001-10000	50	0.14	3,62,606	0.94
10001-20000	23	0.07	3,14,713	0.81
20001-30000	14	0.04	3,36,693	0.87
30001-40000	3	0.01	99,138	0.26
40001-50000	3	0.01	1,31,377	0.34
50001-100000	8	0.02	5,68,939	1.47
100001 and above	24	0.07	346,56,273	89.53
TOTAL	**35,371**	**100.00**	**387,11,095**	**100.00**

The shareholding pattern of the Company as on March 31, 2019 was as under:

Sr. No.	Category of Shareholder	No. of Shares	% Shareholding
(A)	**Shareholding of Promoter and Promoter Group**		
1.	Indian	9,802,262	25.32
2.	Foreign	9,759,430	25.21
	Total Promoters Shareholding (A)	**19,561,692**	**50.53**
(B)	**Public Shareholding**		
1.	**Institutions**		
(a)	Mutual Funds/UTI	6,478,556	16.74
(b)	Financial Institutions/Banks/Insurance Companies	14,336	0.04
(c)	Foreign Institutional Investor/Foreign Portfolio Investor	8,928,213	23.06
2.	**Non-Institutional Investor**		
(a)	Body Corporate/HUF	4,61,344	1.19
(b)	Individuals	18,47,315	4.77
3.	**Others**		
(a)	Employees and Independent Directors	3,06,930	0.79
(b)	Non Resident Indian	1,22,686	0.32
(c)	Foreign Nationals	40,080	0.10
(d)	Clearing Members	25,990	0.07
(e)	Alternative Investment Fund	6,558	0.02
(f)	NBFC	910	0.00
(g)	IEPF	425	0.00
4.	**Qualified Foreign Investors**	0	0.00
	Total Public Shareholding (B)	**182,33,343**	**47.10**
(C)	**Non Promoter Non Public Shareholding**		
	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	9,16,060	2.37
	Total Non Promoter Non Public Shareholding (C)	**9,16,060**	**2.37**
	Total (A)+(B)+(C)	**387,11,095**	**100.00**



Compliance with Corporate Governance as per Listing Regulations

The Company is in compliance with the corporate governance requirements under regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

Shareholder Inquiries

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

Registered Office
eClerx Services Limited
Sonawala Building, 1st Floor
29 Bank Street, Fort, Mumbai, 400 023
Ph. No.: 022-6614 8301
Email ID: investor@eClerx.com

Registrar & Transfer Agent
Karvy Fintech Private Limited
(formerly Karvy Computer Share Private Limited)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad–500 032
Ph Nos.: +91 (40) 6716 1569
Fax No.: +91 (40) 2342 0814
Email: balaji.reddy@karvy.com/einward.ris@karvy.com

CODE OF CONDUCT DECLARATION

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

To
The Members of
eClerx Services Limited

Pursuant to 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, 2019.

For eClerx Services Limited
PD Mundhra
Executive Director

Date: May 23, 2019

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, 2019 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.

Mumbai	**PD Mundhra**	**Rohitash Gupta**
May 23, 2019	Executive Director	Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(i) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
The Members of eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai-400023

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of eClerx Services Limited having CIN L72200MH2000PLC125319 and having registered office at Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai – 400023 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Priyadarshan Mundhra	00281165	24/03/2000
2.	Anish Ghoshal	00276807	11/08/2007
3.	Pradeep Dharuprakash Kapoor	00053199	11/08/2007
4.	Anjan Malik	01698542	10/05/2000
5.	Biren Chandrakant Gabhawala	03091772	18/05/2011
6.	Alok Goyal	05255419	18/05/2012
7.	Deepa Kapoor	06828033	11/03/2014
8.	Shailesh Sharad Kekre	07679583	15/03/2017

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Savita Jyoti Associates
Company Secretaries

CS Savita Jyoti
FCS No. : 3738
CP No. : 1796

Place: Hyderabad
Date: May 9, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of eClerx Services Limited
eClerx Services Limited
1st Floor, Sonawala Building
29 Bank Street, Fort
Mumbai-400 023

1. The Corporate Governance Report (the "Report") prepared by eClerx Services Limited (the 'Company'), contains details as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of the opinion whether, the Company has complied with conditions of Corporate Goverance as specified in the Listing Regulations.

5. We conducted our examination of the Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Report with the applicable criteria. Summary of key procedures performed include:

   i. Read and understood of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that atleast one women director was on the Board of Directors through the year;

   iv. Obtained and read the minutes of the following meetings held from April 1, 2018 to March 31, 2019:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM)/Extra Ordinary General Meeting (EGM);

      (d) Nomination and Remuneration Committee;

      (e) Corporate Social Responsibility Committee;

      (f) Stakeholders Relationship Committee;

   v. Obtained necessary declarations from directors of the Company;

   vi. Obtained read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Report on a test basis. Further, our scope of work under this Report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 3 above.

Other matters and Restriction on Use

9. This Report 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.

10. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Majmudar
Partner
Membership Number: 36656
UDIN: 19036656AAAAAL9015

Place of Signature: Mumbai
Date: May 23, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of eClerx Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of eClerx Services Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition	
The Company enters into long term and short-term customer contracts. Revenue from these contracts is recognised in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers (as described in note 2.2(d) and note 21 of the Standalone Ind AS financial statements). Revenue from sale of services for the year ended March 31, 2019 amounted to Rs 11,072.70 million and unbilled receivables as at March 31, 2019 amounted to Rs 903.52 million. Considering amount and volume of transactions, there is a risk that unbilled revenue at period end date, did not occur or is not as per terms agreed with customers.	• Our audit procedures included assessing the Company's revenue recognition accounting policies in accordance with Ind AS 115, Revenue from Contracts with Customers. • We obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Company's accounting policies. We tested relevant internal controls, including IT controls, over revenue process. • We tested a sample of new revenue contracts entered by the Company, to assess whether revenue has been recognised as per contractual terms and as per Company's accounting policies. • We selected a sample of revenue transactions with unbilled revenue at the year-end and traced these to underlying terms agreed with customers, proof of service delivery and internal control approvals. Also, we checked ageing of unbilled receivables and tested, on a sample basis, invoices raised subsequent to year end.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 purposes 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, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) 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, as amended, 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 standalone Ind AS financial statements – Refer Note 32(c) to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. During the year ended March 31, 2019, the Company has transferred unpaid dividend of Rs 260,123 for FY 2010-2011 to the Investor Education and Protection Fund on November 9, 2018 with delay of 17 days.

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 23, 2019

ANNEXURE 1

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

Re: eClerx Services Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment 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 paragraph 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, loans, securities and guarantees given have been complied with by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including the entities in which they are interested to which provisions of section 185 of the Act apply and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 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, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to duty of excise, sales tax, service tax and value added tax are not applicable to the Company for the year ended March 31, 2019.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other 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 of income-tax, sales tax, service tax, duty of custom, 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
The Income Tax Act, 1961	Income Tax demand	^1,576,730	Assessment Year 2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	^7,264,170	Assessment Year 2011-12	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	^21,909,129	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^16,328,990	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^37,507,910	Assessment Year 2014-15	Assistant Commissioner of Income Tax
The Income Tax Act, 1961	Income Tax demand	^31,824,234	Assessment Year 2015-16	Commissioner of Income tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^68,983,568	Assessment Year 2017-18	Deputy Commissioner of Income Tax
Service Tax	Service Tax* Penalty on service tax	^^6,189,634 ^^5,834,013	April 2007 - March 2012	Custom , Central Excise and Service Tax Appellate Tribunal ("CESTAT")
Service Tax	Service Tax* Penalty on service tax	^^118,913,942 ^^118,913,942	June 2009 -March 2013	CESTAT
Service Tax	Service Tax* Penalty on service tax	^^3,611,332 ^^3,611,332	April 2008 -March 2013	CESTAT
Service Tax	Service Tax* Penalty on service tax	^^8,707,091 ^^8,707,091	April 2008 –July 2012	CESTAT

* In addition, interest is payable under the relevant provisions and rules.

^ The Company has paid Rs. 28,175,557 under protest and adjusted refund of Rs. 34,869,184.

^^ The Company has paid Rs. 10,890,396 under protest.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders 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) of the Order 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) of the Order 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 23, 2019

ANNEXURE 2

to the Independent Auditor's Report of even date on the standalone Ind AS 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, 2019 in conjunction with our audit of the standalone Ind AS 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to These Standalone Financial Statements

A Company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements 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 With Reference to These Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 issued by the ICAI.

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 23, 2019

BALANCE SHEET

as at March 31, 2019

	Notes	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Assets			
Non-current assets			
Property, plant and equipment	3	590.14	447.19
Capital work in progress	3	1.65	-
Intangible assets	4	15.69	21.11
Financial assets			
Investments	5.1	2,390.50	2,377.30
Derivative instruments	5.2	94.40	7.39
Other financial assets	9	186.96	137.95
Long term loans	8	1,292.30	679.46
Deferred tax assets (net)	20	193.66	116.30
Other non-current assets	10	265.47	150.01
Non-current tax assets (net)		91.00	74.55
		5,121.77	**4,011.26**
Current assets			
Financial assets			
Investments	5.1	2,805.00	1,650.32
Trade receivables	6	1,864.45	1,698.19
Cash and cash equivalents	7.a.	386.33	1,444.07
Other bank balances	7.b.	3,245.33	2,359.34
Other financial assets	9	944.99	1,065.63
Derivative instruments	5.2	112.93	241.85
Other current assets	11	553.69	435.93
		9,912.72	**8,895.33**
Total assets		**15,034.49**	**12,906.59**

BALANCE SHEET

as at March 31, 2019

	Notes	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Equity and liabilities			
Equity			
Equity share capital	12	387.11	386.29
Other equity	13	12,664.92	10,567.20
Total equity		**13,052.03**	**10,953.49**
Non-current liabilities			
Employee benefit obligations	15	275.57	217.95
Other non-current liabilities	16	115.23	131.09
		390.80	**349.04**
Current liabilities			
Financial liabilities			
Trade payables	17		
Total outstanding dues of Micro enterprises and small enterprises		3.37	4.22
Total outstanding dues of creditors other than Micro enterprises and small enterprises		686.99	737.78
Other financial liabilities	18	325.49	263.21
Other current liabilities	19	65.44	62.80
Employee benefit obligations	15	510.27	480.15
Current tax liabilities (net)		0.10	55.90
		1,591.66	**1,604.06**
Total equity and liabilities		**15,034.49**	**12,906.59**

Summary of significant accounting policies 2

The accompanying notes form 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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2019

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
		Rupees in Million	Rupees in Million
Revenue from operations	21	11,398.18	11,440.21
Other income	22	558.25	438.27
Total Income		**11,956.43**	**11,878.48**
Expenses			
Employee benefits expense	23	4,614.07	4,371.15
Cost of technical sub-contractors		112.24	80.91
Depreciation and amortisation expense	24	261.55	295.99
Other expense	25	4,124.93	3,728.66
Total expense		**9,112.79**	**8,476.71**
Profit before exceptional items and tax		**2,843.64**	**3,401.77**
Exceptional item gain / (loss)	28	-	212.59
Profit before tax		**2,843.64**	**3,614.36**
Tax expenses			
Current tax	20		
Pertaining to current year		813.50	929.64
Adjustments in respect of current income tax of previous year		(3.41)	(23.70)
Deferred tax	20	(62.58)	(72.77)
Income tax expense		**747.51**	**833.17**
Profit for the year		**2,096.13**	**2,781.19**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement (losses) / gains on defined benefit plans	28	(12.33)	4.23
Income tax effect	20	3.50	(1.18)
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**(8.83)**	**3.05**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	28	(41.91)	(393.03)
Income tax effect	20	11.27	64.54

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		(30.64)	(328.49)
Other comprehensive income for the year, net of tax		(39.47)	(325.44)
Total comprehensive income for the year, net of tax		2,056.66	2,455.75
Earnings per equity share (in Rs.)			
Basic (Face value of Rs.10 each)	29	54.19	69.87
Diluted (Face value of Rs.10 each)	29	54.11	69.54

Summary of significant accounting policies 2

The accompanying notes form 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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2019

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

	Notes	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Operating activities			
Profit before tax		2,843.64	3,614.36
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	24	247.30	270.20
Amortisation and impairment of intangible assets	24	14.25	25.79
Share-based payment expense	23	22.20	26.93
Net foreign exchange differences - Trade receivables		46.79	(60.81)
Net foreign exchange differences - Trade payables		(3.38)	3.08
(Gain) / Loss on sale of assets	22 &25	(0.22)	0.61
Interest income on corporate rent deposits	22	(12.54)	(12.41)
Amortised cost on corporate rent deposits		11.43	12.50
(Profit) on sale of current investments	22	(14.49)	(0.81)
Dividend income	22	(96.69)	(149.03)
Interest income	22	(314.27)	(157.62)
Other adjustments		(12.33)	(3.05)
Bad debts written off	25	5.23	0.13
Provision for doubtful debts	25	-	5.21
Fair value loss / (gain) on financial instruments at fair value through profit or loss	25	15.83	3.99
Interest on Income tax refund		-	(9.05)
		2,752.75	**3,570.02**
Working capital adjustments:			
Increase in employee benefit obligations		87.74	93.34
(Increase) / Decrease in trade receivables		(215.89)	53.91
(Increase) in other financial assets and other assets		(122.28)	(156.45)
(Decrease) / Increase in trade payables, other current and non current liabilities and provisions		(14.25)	260.32
Cash generated by operating activities		**2,488.07**	**3,821.14**
Income tax paid (Net of refunds)		(882.34)	(881.18)
Net cash flows from operating activities		**1,605.73**	**2,939.96**
Investing activities			
Proceeds from sale of current investments		12,419.80	9,302.22
Purchase of current investments		(13,574.29)	(8,441.73)
Investment in bank deposits (having original maturity of more than three months)		(4,941.07)	(2,213.14)
Redemption / matuity of bank deposits (having original maturity of more than three months)		4,079.71	1,649.08
Payment of unclaimed dividend and fractional share		(0.24)	(0.18)

STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

	Notes	March 31, 2019	March 31, 2018
		Rupees in Million	Rupees in Million
Proceeds from sale of property, plant and equipment		1.11	1.61
Disbursement of loan to ESOP trust		(550.00)	(540.00)
Purchase of property, plant, equipment and intangibles (including capital work in progress)		(387.16)	(182.31)
Dividend received		96.69	149.03
Interest received		185.36	165.15
Net cash flows (used in) investing activities		**(2,670.09)**	**(110.27)**
Financing activities			
Proceeds from issue of equity share capital		50.84	86.95
Proceeds from equity issue pending allotment		2.41	(0.38)
Buyback of equity shares		-	(2,603.31)
Payment of dividend		(38.68)	(39.87)
Dividend distribution tax		(7.95)	(8.12)
Net cash flows generated from / (used in) financing activities		**6.62**	**(2,564.73)**
Net (decrease) / increase in cash and cash equivalents		**(1,057.74)**	**264.96**
Cash and cash equivalents at the beginning of the year	7(a)	1,444.07	1,179.11
Cash and cash equivalents at the year end	7(a)	**386.33**	**1,444.07**

Summary of significant accounting policies 2

The accompanying notes form 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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2019

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

		No. of shares	Share capital Rupees in Million
a.	**Equity share capital**		
	Equity shares of Rs.10 each issued, subscribed and fully paid		
	As at March 31, 2017	**39,784,171**	**397.84**
	Add: Shares allotted during the year on account of exercise of share options by employees (ESOP)	134,911	1.35
	Less: Buyback of shares during the year	(1,290,000)	(12.90)
	As at March 31, 2018	**38,629,082**	**386.29**
	Add: Shares allotted during the year on account of exercise of share options by employees (ESOP)	82,013	0.82
	As at March 31, 2019	**38,711,095**	**387.11**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

b.Other equity

For the year ended March 31, 2019

Rupees in Million

Particulars	Share Application money pending allotment	Reserves and Surplus						Items of OCI	Total other equity
		Capital redemption reserve	Securities premium account	Share based payment reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Cashflow Hedging reserve	
As at March 31, 2018	2.00	24.98	114.80	187.95	-	0.10	10,057.01	180.36	10,567.20
Profit for the period	-	-	-	-	-	-	2,096.13	-	2,096.13
Other comprehensive income (refer note 28)	-	-	-	-	-	-	(8.83)	(30.64)	(39.47)
Share based payment charge net off stock option cancelled / forfeited during the year (refer note 13)	-	-	-	35.40	-	-	-	-	35.40
Transfer to securities premium on account of exercise of stock options (refer note 13)	-	-	16.18	(16.18)	-	-	-	-	-
Cash dividends paid (refer note 14)	-	-	-	-	-	-	(38.68)	-	(38.68)
Dividend distribution tax on dividend (refer note 14)	-	-	-	-	-	-	(7.95)	-	(7.95)
Buyback Expenses (refer note 13)	-	-	-	-	-	-	(0.14)	-	(0.14)
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 13)	-	-	50.02	-	-	-	-	-	50.02
Amount transferred to SEZ Re-investment Reserve account (refer note 13)	-	-	-	-	48.27	-	(48.27)	-	-
Amount utilised during the year from SEZ Re-investment Reserve account (refer note 13)	-	-	-	-	(47.56)	-	47.56	-	-
Shares application money received during the year	53.25	-	-	-	-	-	-	-	53.25
Shares alloted during the year	(50.84)	-	-	-	-	-	-	-	(50.84)
As at March 31, 2019	4.41	24.98	181.00	207.17	0.71	0.10	12,096.83	149.72	12,664.92

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

For the year ended March 31, 2019

Particulars	Share Application money pending allotment	Reserves and Surplus					Items of OCI	Total other equity
		Capital redemption reserve	Securities premium account	Share based payment reserve	Capital reserve	Retained earnings	Cashflow Hedging reserve	
As at March 31, 2017	**2.38**	**12.08**	**131.31**	**147.95**	**0.10**	**9,792.77**	**508.85**	**10,595.44**
Profit for the period	-	-	-	-	-	2,781.19	-	2,781.19
Other comprehensive income (refer note 28)	-	-	-	-	-	3.05	(328.49)	(325.44)
Transfer to securities premium on account of exercise of stock options (refer note 13)	-	-	28.81	(28.81)	-	-	-	-
Cash dividends paid (refer note 14)	-	-	-	-	-	(39.87)	-	(39.87)
Dividend distribution tax on dividend (refer note 14)	-	-	-	-	-	(8.12)	-	(8.12)
Share based payment charge net off stock option cancelled / forfeited during the year (refer note 13)	-	-	-	68.81	-	-	-	68.81
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 13)	-	-	85.98	-	-	-	-	85.98
Amount transferred on account of buyback of shares (refer note 13)	-	12.90	-	-	-	(12.90)	-	-
Amount utilised on account of buy back of shares (refer note 13)	-	-	(131.30)	-	-	(2,435.80)	-	(2,567.10)
Buyback expenses (refer note 13)						(23.31)		(23.31)
Shares application money received during the year	86.95	-	-	-	-	-	-	86.95
Shares alloted during the year	(87.33)	-	-	-	-	-	-	(87.33)
As at March 31, 2018	**2.00**	**24.98**	**114.80**	**187.95**	**0.10**	**10,057.01**	**180.36**	**10,567.20**

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 23, 2019

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2019

1. Corporate information

The Company provides critical business operations services to global Fortune 500 clients, including several of the world's leading companies across financial services, cable and telecommunications, retail, fashion, media & entertainment, manufacturing, travel and leisure, software and high-tech. The Company provides innovative business process management, change management, data-driven insights, advanced analytics powered by subject matter experts and smart automation. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India.

The standalone financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the directors on May 23, 2019.

2. A. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company's financial statements.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value :

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Share based payments

The standalone financial statements are presented in "Rs." and all values are stated Rs. in million, except when otherwise indicated.

New and amended standards

Accounting policies have been consistently applied except where a newly – issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company applied Ind AS 115 - Revenue from contracts with customers for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

2.2. Summary of significant accounting policies

a. Business combinations

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method - wherein:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) The excess, if any, in the value of net assets and reserves to be vested in the transferee Company, would be credited to the 'Capital Reserve Account'.

(c) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

b. Foreign currencies

The Company's financial statements are presented in Indian Rupees ("Rs."), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

c. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

d. Revenue recognition

Ind AS 115 "Revenue from Contracts with Customers"

Revenue recognition:

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. The standard is applied only to contracts that are not completed as at the date of initial application of the standard i.e. April 1, 2018 and the comparative information is not restated in the standalone financial statements. The impact of the adoption of the standard on the standalone financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Arrangement with customers for services rendered by the Company are either on time and material or on fixed price basis. Revenue from contracts on time-and-material basis is recognised as the related services are performed. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and other variable considerations, if any, as specified in the contracts with the customers.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenue net of indirect taxes in its standalone statement of profit and loss.

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Advance billing is shown as contract liabilities under other current financial liabilities. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed period.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortised over the benefit period.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

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

Government Grants

Government grants are recognised when there is reasonable assurance that grant will be received and all attached conditions will be complied with.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment ("PPE") 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 property, plant and equipment are disclosed as capital advances under other non - current assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date and are carried at cost, comprising of direct cost and directly attributable cost.

Gains or losses arising from disposal of property, plant and equipment 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.

The Company provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down Method. The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

Block of assets	Estimated useful life (in years)
Office equipment	5
Furniture and fixtures	10
Computers	3-6
Leasehold improvements	Lease term

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. 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.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gain or losses arising from the derecognition of an intangible asset 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 derecognised.

Intangible assets are amortised on straight-line basis as follows:

Block of assets	Estimated useful life (in years)
Computer softwares	1-5

Research and development expenses for software product

Research cost are expensed as incurred. Software product development cost are expensed as incurred unless technical feasibility of project is established, further economic benefit are probable, the Company has an intention and ability to complete and use or sell the software and the cost can be measured reliably. The cost which can be captialised include the cost of material, direct labor and overhead cost that are directly attributable to preparing the asset for its intended use.

h. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Impairment of non-financial 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. An asset's recoverable amount is the higher of an asset's or cash - generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exists or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

j. Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes.

k. 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 recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no further obligations under these plans beyond its monthly contributions.

Defined benefit plan

Gratuity

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund with the insurance service provider. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs; and
- Net interest expense or income

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.

l. Share - based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. 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 statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognises a financial asset or a liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.The Company has accounted for its investment in subsidiaries at cost, less impairment, if any.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into three categories:

- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost.

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss ("FVTPL") under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

A financial asset is classified as at the Financial assets measured at Fair value through other comprehensive income ("FVTOCI") if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

A financial asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

FVTPL is a residual category for financial assets. Any instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses impairment based on expected credit losses ("ECL") model to the following:

- Financial assets measured at amortised cost; and
- Financial assets measured at FVTOCI.

Expected credit losses ("ECL") are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a pratical expedient, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Subsequent measurement

The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ("EIR") method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company enters into derivative contracts to hedge foreign currency/price risk on highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recorded in the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income ("OCI") and later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions. The ineffective portion relating to foreign currency contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

p. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity share holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution of interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders of the Company. A corresponding amount is recognised directly in equity.

q. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share are the weighted average number of shares outstanding during the year. 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 shares, if any which would have been issued on the conversion of all dilutive potential equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. Share - based payments

The Company measures share-based payments and transactions at fair value and recognises over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. This requires a reassessment of the estimates used at the end of each reporting period. The Company is applying forfeiture rate based on historical trend. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on the rates given under Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in note 30.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 36 & 37 for further disclosures.

e. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Rupees in Million

	Computer hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Total
3. Property, plant and equipment					
Cost					
As at April 1, 2017	361.53	268.14	98.30	392.53	1,120.50
Additions	86.46	12.08	12.71	58.94	170.19
Disposals	(35.99)	(8.87)	(3.26)	(19.75)	(67.87)
As at March 31, 2018	412.00	271.35	107.75	431.72	1,222.82
Additions	76.31	237.88	19.34	57.60	391.13
Disposals	(17.05)	-	(1.48)	(8.12)	(26.64)
As at March 31, 2019	471.26	509.23	125.62	481.20	1,587.31
Depreciation and impairment					
As at April 1, 2017	220.35	90.49	32.40	227.83	571.07
Depreciation charge for the year	96.75	64.24	17.86	91.35	270.20
Disposals	(35.56)	(8.87)	(2.83)	(18.38)	(65.64)
As at March 31, 2018	281.54	145.86	47.43	300.80	775.63
Depreciation charge for the year	83.66	77.77	15.54	70.33	247.30
Disposals	(16.94)	-	(1.31)	(7.50)	(25.75)
As at March 31, 2019	348.26	223.63	61.66	363.63	997.17
Net Book Value					
As at March 31, 2019	123.00	285.60	63.96	117.57	590.14
As at March 31, 2018	130.46	125.49	60.32	130.92	447.19

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Capital work in progress		
Leasehold improvements	1.65	-
Total	1.65	-

Rupees in Million

	Computer Software	Total
4. Intangible assets		
Cost		
As at April 1, 2017	160.14	160.14
Additions	12.12	12.12
Disposals	(0.81)	(0.81)
As at March 31, 2018	171.45	171.45
Additions	8.83	8.83
Disposals	(12.16)	(12.16)
As at March 31, 2019	168.12	168.12
Amortisation and impairment		
As at April 1, 2017	125.36	125.36
Amortisation charge for the year	25.79	25.79
Disposals	(0.81)	(0.81)
As at March 31, 2018	150.34	150.34
Amortisation charge for the year	14.25	14.25
Disposals	(12.16)	(12.16)
At March 31, 2019	152.43	152.43
Net Book Value		
As at March 31, 2019	15.69	15.69
As at March 31, 2018	21.11	21.11

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2019

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
5.	Financial assets		
5.1	Investments		
	Non current investments (Unquoted, carried at cost)		
	Investments in equity shares of subsidiaries		
	eClerx LLC (refer note 26)	496.97	485.23
	eClerx Limited (refer note 26)	40.44	37.54
	eClerx Private Limited (refer note 26)	4.35	4.07
	eClerx Investments (UK) Limited (refer note 26)	501.57	503.29
	Investments in preference shares of subsidiaries		
	eClerx Investments Limited (refer note 26)	605.67	605.67
	eClerx Investments (UK) Limited (refer note 26)	1,344.77	1,344.77
		2,993.77	**2,980.57**
	Less: Provision for diminution in value of investments	(605.67)	(605.67)
		2,388.10	**2,374.90**
	Non current investments (Unquoted, carried at fair value through profit and loss)		
	Talentick Edusolutions Private Limited (refer note 26)	2.40	2.40
		2.40	**2.40**
	Total Non- Current Investments	**2,390.50**	**2,377.30**
	Current investments (Quoted, carried at fair value through profit and loss)		
	Investments in mutual funds (refer note 27)	2,805.00	1,650.32
	Total current investments	**2,805.00**	**1,650.32**
	Aggregate book value of quoted investments	2,805.00	1,650.32
	Aggregate market value of quoted investments	2,805.00	1,650.32
	Aggregate value of unquoted investments	2,390.50	2,377.30
	Aggregate amount of impairment in value of investments	605.67	605.67

Investments at fair value through profit or loss (fully paid) reflect investments in mutual funds and investment in Talentick Edusolutions Private Limited. For further details, refer note 26 and 27 and for determination of fair values, refer note 37.

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
5.2	Derivative instruments		
	Derivative instruments at fair value through OCI		
	Cash flow hedges		
	Foreign exchange forward contracts	207.33	249.24
	Total derivative instruments at fair value through OCI	**207.33**	**249.24**
	Current	112.93	241.85
	Non Current	94.40	7.39
		207.33	**249.24**

Derivative instruments at fair value through OCI refect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars ("USD").

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
6.	**Trade receivables**		
	Trade receivables	1,837.75	1,637.57
	Receivables from other related parties	26.70	60.62
	Total trade receivables	**1,864.45**	**1,698.19**
	Considered good - Secured	-	-
	Considered good - Unsecured	1,864.45	1,698.19
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	4.78	5.21
		1,869.23	1,703.40
	Less: Loss allowance	(4.78)	(5.21)
		1,864.45	**1,698.19**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
7.a.	**Cash and cash equivalents**		
	Balances with banks:		
	In current accounts	385.42	999.85
	Deposits with original maturity of less than three months	-	400.00
	Earmarked bank balance towards dividend	0.90	1.14
	Earmarked bank balance towards fractional share payout	0.01	0.01
	Earmarked bank balance towards buyback	-	43.07
		386.33	**1,444.07**
7.b.	**Other bank balances**		
	Deposits with original maturity of more than three months but less than twelve months	2,290.00	933.64
	Deposits with original maturity of more than twelve months	820.00	1,349.00
	Interest receivable	134.42	75.32
	Deposits pledged with banks against bank guarantees	0.91	1.38
		3,245.33	**2,359.34**
		3,631.66	**3,803.41**

Cash at banks earns interest at floating rates based on the daily bank deposit rates and the daily balances. Time deposits are placed for varying periods ranging from 159 days to 368 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
8.	Long term loans		
	eClerx Employee Welfare Trust	1,292.30	679.46
		1,292.30	**679.46**

The Company has created an Employee Benefit Trust ("EBT") for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Shares held by EBT are treated as treasury shares.

The Company has provided loan to EBT at the weighted average rate of 7.83% for the period of 4-6 years for purchase of treasury shares (March 31, 2018 : 9.18%)

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
9.	Other financial assets		
	Non-current		
	Corporate premises rent deposits	134.48	122.00
	Other deposits	16.01	15.95
	Deposit with original maturity more than twelve months	30.00	-
	Deposits pledged with banks against bank guarantees & foreign exchange hedges	6.47	-
		186.96	**137.95**

Time deposits are placed for varying periods ranging from 732 days to 2,193 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.

	Current		
	Unbilled receivables	903.52	1,037.72
	Staff accomodation rent deposits	0.30	0.30
	Recoverable expenses from client	9.86	-
	Other advances	31.31	27.61
		944.99	**1,065.63**
		1,131.95	**1,203.58**
	Break up of financial assets carried at amortised cost		
	Trade receivables (refer note 6)	1,864.45	1,698.19
	Cash and cash equivalents and other bank balances (refer note 7.a. and 7.b.)	3,631.66	3,803.41
	Long term loans (refer note 8)	1,292.30	679.46
	Other financial assets (refer note 9)	1,131.95	1,203.58
	Total financial assets carried at amortised cost	**7,920.36**	**7,384.64**

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
10.	Other non-current assets		
	Capital advances	4.17	1.33
	Service tax and other tax credits	30.39	74.75
	Goods & Service Tax ("GST") credits	230.91	73.93
		265.47	**150.01**

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2019

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
11	Other current assets		
	Prepaid expense	130.41	95.50
	Service tax and other tax credits	43.89	135.62
	Service Exports from India Scheme Licence ("SEIS") receivables	379.39	204.81
		553.69	**435.93**

		Equity shares	
		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
12.	Share capital		
	Authorised share capital		
	50,010,000 (March 31, 2018: 50,010,000) shares of Rs. 10 each	500.10	500.10
	Issued, subscribed and fully paid up		
	38,711,095 (March 31, 2018: 38,629,082) shares of Rs. 10 each fully paid up	387.11	386.29

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.

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

The Company has issued 10,180,609 shares by way of bonus issue by capitalising securities premium during the period of five years immediately preceding the balance sheet date.

Aggregate number of equity shares bought back during the period of five years immediately preceding the reporting date:

During the previous year ended March 31, 2018, the Company bought back 1,290,000 shares. During the period of 5 years immediately preceding the balance sheet date the Company bought back 1,170,000 shares in FY 2016-17 and 37,623 shares in FY 2013-14.

Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Name of the shareholder				
Anjan Malik	9,759,430	25.21%	9,689,920	25.08%
PD Mundhra	9,763,430	25.22%	9,684,379	25.07%
Matthews India Fund	2,080,797	5.38%	2,661,931	6.89%

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.

		Rupees in Million
13.	Other equity	
	Securities premium	
	As at April 1, 2017	**131.31**
	Add: Premium on issue of shares allotted pursuant to exercise of options	85.98
	Add: Transferred from share based payment reserve on exercise of options	28.81
	Less: Amount adjusted on account of buyback of shares	(131.30)
	As at March 31, 2018	**114.80**
	Add: Transferred from share based payment reserve on exercise of options	16.18
	Add: Premium on issue of shares allotted pursuant to exercise of options	50.02
	As at March 31, 2019	**181.00**
	Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, buy back of equity shares, etc. in accordance with the provisions of the Companies Act, 2013.	
	Share based payment reserve	
	As at April 1, 2017	**147.95**
	Add: Charge for the year	71.40
	Less: Reversed on stock options cancelled / forfeiture during the year	(2.59)
	Less: Transfer to securities premium on exercise of stock options	(28.81)
	As at March 31, 2018	**187.95**
	Add: Charge for the year	35.40
	Less: Transfer to securities premium on exercise of stock options	(16.18)
	As at March 31, 2019	**207.17**
	The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.	
	Hedging reserve	
	As at April 1, 2017	**508.85**
	Less: Net movement on cash flow hedges	(393.03)
	Add: Deferred tax on net movement on cash flow hedges	64.54
	As at March 31, 2018	**180.36**
	Less: Net movement on cash flow hedges	(41.91)
	Add: Deferred tax net movement on cash flow hedges	11.27
	As at March 31, 2019	**149.72**
	The Company uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.	

	Rupees in Million
Capital reserve	
As at April 1, 2017	**0.10**
As at March 31, 2018	**0.10**
As at March 31, 2019	**0.10**
The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.	
Capital redemption reserve	
As at April 1, 2017	**12.08**
Add : Amount transferred from retained earnings on account of buyback of shares	12.90
As at March 31, 2018	**24.98**
Add : Amount transferred from retained earnings on account of buyback of shares	-
As at March 31, 2019	**24.98**
As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.	
SEZ Re-investment Reserve Account	
As at March 31, 2018	**-**
Add: Transferred from retained earnings	48.27
Less: Amount utilised during the year	(47.56)
As at March 31, 2019	**0.71**
The Special Economic Zone (SEZ) re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Company for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.	
Retained earnings	
As at April 1, 2017	**9,792.77**
Add: Profit during the year	2,781.19
Add: Remeasurement gain on defined benefit plans	3.05
Less: Share buyback expenses	(23.31)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(12.90)
Less: Amount utilised on account of buy back of shares	(2,435.80)
Less: Dividend and dividend tax paid (refer note 14)	(47.99)
As at March 31, 2018	**10,057.01**

	Rupees in Million
Add: Profit during the year	2,096.13
Less: Remeasurement losses on defined benefit plans	(8.83)
Less: Share buyback expenses	(0.14)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	-
Less: Amount utilised on account of buy back of shares	-
Less: Transferred to SEZ Re-investment Reserve Account	(48.27)
Add: Amount utilised during the year from SEZ Re-investment Reserve account	47.56
Less: Dividend and dividend tax paid (refer note 14)	(46.63)
As at March 31, 2019	**12,096.83**

Retained earnings represent the amount of accumulated earnings of the Company.

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Other reserves		
Securities premium account	181.00	114.80
Share based payment reserve	207.17	187.95
Hedging reserve	149.72	180.36
Capital reserve	0.10	0.10
Capital redemption reserve	24.98	24.98
SEZ Re-investment Reserve Account	0.71	-
Retained earnings	12,096.83	10,057.01
	12,660.51	**10,565.20**

Share application money pending allotment	Rupees in Million
As at March 31, 2018	**2.00**
As at March 31, 2019	**4.41**

The disaggregation of changes in Other Comprehensive Income ("OCI") by each type of reserves in equity is disclosed in note 28.

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2019

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
14. Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2018: Re. 1 per share (March 31, 2017: Re. 1 per share)	38.68	39.87
Dividend distribution tax on final dividend	7.95	8.12
	46.63	**47.99**
Proposed dividends on equity shares:		
Cash dividend for the year ended on March 31, 2019: Re. 1 per share (March 31, 2018: Re. 1 per share)	36.99	38.63
Dividend distribution tax on proposed dividend	7.60	7.86
	44.59	**46.49**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2019.

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
15. Employee benefit obligations		
Non-current		
Gratuity (refer note 30)	205.92	174.35
Incentive to employees	69.65	43.60
	275.57	**217.95**
Current		
Gratuity (refer note 30)	41.00	41.00
Compensated absences	190.62	188.96
Incentive to employees	278.65	250.19
	510.27	**480.15**

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
16. Other non-current liabilities		
Lease equalisation reserve	115.23	131.09
	115.23	**131.09**

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2019

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
17. Trade payables		
17.a. Dues of Micro enterprises and small enterprises		
Amount due to vendor	3.37	4.22
Principal amount paid (includes unpaid) beyond the apointed date	-	-
Interest due and payable for the year	-	-
Interest accrued and remaining unpaid	-	-
17.b. Dues of creditors other than Micro enterprises and small enterprises		
Trade payables	24.29	19.19
Trade payables to related parties	662.70	718.59
	686.99	**737.78**

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions with related parties, refer note 33
- For explanations on the Company's credit risk management processes, refer note 38.
- Trade payables are measured at amortised cost

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
18. Other financial liabilities		
Accrued expense	216.97	192.53
Contract liabilities	90.68	67.89
Payables for capital expenditure	16.93	1.64
Unpaid dividend	0.90	1.14
Unpaid fractional share payout	0.01	0.01
	325.49	**263.21**
Break up of financial liabilities at amortised cost		
Other financial liabilities (refer note 18)	325.49	263.21
Trade payables (refer note 17.a. and 17.b.)	690.36	742.00
	1,015.85	**1,005.21**

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
19. Other current liabilities		
Statutory dues	56.12	53.02
Lease equalisation reserve	9.32	9.78
	65.44	**62.80**

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
20.	Income taxes		
	The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
	Statement of profit and loss:		
	Profit or loss section		
	Current Income tax:		
	Current income tax charge	813.50	929.64
	Adjustment in respect of current income tax of previous year	(3.41)	(23.70)
	Deferred tax	(62.58)	(72.77)
	Income tax expense reported in the statement of profit or loss	**747.51**	**833.17**
	OCI section		
	Deferred tax related to items recognised in OCI during in the year:		
	Net movement on cash flow hedges	11.27	64.54
	Net movement on remeasurement losses / (gains) on defined benefit plans	3.50	(1.18)
	Income tax credited / (charged) to OCI	**14.77**	**63.36**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:		
	Accounting profit before income tax	2,843.64	3,614.36
	At India's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	993.68	1,250.86
	Tax effect of income not chargeable to tax	(240.87)	(412.62)
	Adjustments in respect of current income tax of previous years	(3.41)	(23.70)
	Non-deductible (income) / expenses for tax purposes	(1.89)	18.63
	Income tax expense reported in the statement of profit and loss	**747.51**	**833.17**
	At the effective income tax rate of 26.29% (March 31, 2018: 23.05%)		

NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2019

	Balance Sheet		Profit & Loss	
	As at March 31, 2019	As at March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
Deferred tax:				
Deferred tax relates to the following:				
Accelerated depreciation for tax purposes	132.19	98.21	(33.98)	(39.43)
Gratuity	67.81	53.22	(14.59)	(19.11)
Expenses available for offsetting against future taxable income	48.93	34.93	(14.00)	(14.23)
Deferred tax on cash flow hedges	(57.60)	(68.88)	-	-
Deferred tax on remeasurement gain / (losses) on defined benefit plans	2.32	(1.18)	-	-
Deferred tax expense / (income)			**(62.58)**	**(72.77)**
Net deferred tax assets / (liabilities)	**193.66**	**116.30**		

	As at March 31, 2019	As at March 31, 2018
	Rupees in Million	Rupees in Million
Reflected in the balance sheet as follows:		
Deferred tax assets	251.26	186.36
Deferred tax liabilities	(57.60)	(70.06)
Deferred tax assets / (liabilities), net	**193.66**	**116.30**

	As at March 31, 2019	As at March 31, 2018
	Rupees in Million	Rupees in Million
Reconciliation of deferred tax assets/ (liabilities), net:		
Opening balance	116.30	(19.83)
Tax income/(expense) during the period recognised in profit or loss	62.58	72.77
Tax income / (expense) during the period recognised in OCI	14.77	63.36
Closing balance	**193.66**	**116.30**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019 and March 31, 2018, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax ("DDT") to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

		For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
21.	**Revenue from operations**		
	Sale of services	11,072.70	11,333.04
	Other operating revenue (refer Note 21(a))	325.48	107.17
	Total	**11,398.18**	**11,440.21**
	Revenues consist of the following:		
	Revenue from ITeS services	10,757.99	11,133.69
	Revenue from software development, licensing of software products & related services	314.71	199.35
	Total revenue from operations	**11,072.70**	**11,333.04**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Geography	For the year ended March 31, 2019 Rupees in Million
United States of America	7,990.68
United Kingdom	635.10
Europe	1,830.40
Asia Pacific	616.52
Total	**11,072.70**
Revenues by contract type	
Time & Materials	10,737.65
Fixed Price	335.05
Total	**11,072.70**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price :

	For the year ended March 31, 2019 Rupees in Million
Revenue as per contracted price	11,161.36
Reductions towards variable consideration components*	(88.66)
Revenue from contract with customers	**11,072.70**

*The reduction towards variable component comprises of volume discounts.

During the year ended March 31, 2019 , the Company recognised revenue of Rs. 67.89 million arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at March 31, 2019, the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts:

a) where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and;

b) where the performance obligation is part of a contract that has an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is Rs. 669.07 million. Out of this, the Company expects to recognise revenue of around 45.91% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

21(a). As per Service Exports from India Scheme ("SEIS") w.e.f. 01.04.2015 under the Foreign Trade Policy (FTP), 2015-20, the Company is eligible to get the duty credit scrips against export of services under defined category .The said income is accounted as other operating revenue.

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
22. Other income		
Dividend	96.69	149.03
Interest income on fixed deposits	244.46	129.96
Interest income on corporate rent deposits	12.54	12.41
Profit on sale of current investments	14.49	0.81
Interest income on loan to ESOP trust	69.81	27.66
Miscellaneous income	0.33	41.24
Gain on sale of fixed assets/asset disposed off (net)	0.22	-
Foreign exchange gain (net)	104.27	69.67
Government Grant ("PMRPY")(refer Note 22(a))	15.44	7.49
	558.25	**438.27**

22(a). The Company has received reimbursement of employers' contribution to Provident Fund under the Pradhan Mantri Rojgar Protsahan Yojna ("PMRPY") for new employment created. The Company has accounted the same under Other income.

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
23. Employee benefits expense		
Salaries, wages and bonus	4,407.11	4,143.30
Contribution to provident and other funds	99.97	97.76
Employee stock compensation	22.20	26.93
Gratuity expense (refer note 30)	54.23	70.91
Staff welfare expense	30.56	32.25
	4,614.07	**4,371.15**

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
24. Depreciation and amortisation expense		
Depreciation of tangible assets (refer note 3)	247.30	270.20
Amortisation of intangible assets (refer note 4)	14.25	25.79
	261.55	**295.99**

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
25. Other expense		
Sales and marketing services	2,391.88	2,118.11
Office base rentals	471.01	424.57
Travelling expenses	312.62	313.91
Communication expenses	120.05	123.54
Legal and professional charges	120.12	137.20
Repairs and maintenance		
Building	11.65	11.15
Others	11.41	12.76
Rates and taxes	32.42	9.77
Office expenses	49.01	41.53
Housekeeping services	42.08	38.80
Security charges	53.89	52.44
Other insurance	13.04	9.36
Subscription & membership fees	22.26	18.24
Electricity	87.44	77.09
Local conveyance	89.41	70.05
Computer and electrical consumables	166.59	158.68
Printing and stationery	6.81	8.01
Bad debts written off	5.23	0.13
Provision for doubtful debts	-	5.21
Business promotion	6.91	6.62
Bank charges	7.71	7.49
Directors' sitting fees	1.80	0.76
Auditor's remuneration	8.10	8.28
Fair value loss on financial instruments at fair value through profit or loss	15.83	3.99
Loss on sale of fixed assets/assets disposed off (net)	-	0.61
Corporate Social Responsibility ("CSR") expenditure (refer details below)	74.09	67.70
Miscellaneous expense	3.57	2.66
	4,124.93	**3,728.66**

Research and development expenditure:

In-house research and development centre ("R&D") of the Company is located in Mumbai. The aggregate expenditure on research and development activities in the in-house R&D centre is a follows:

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Revenue expenditure	119.05	85.01
Capital expenditure	-	1.36
Payments to auditors:		
As auditor		
Audit fee	3.51	3.76
Limited review	3.04	3.04
In other capacity:		
Other services (certification fees)	1.05	1.00
Reimbursement of expenses	0.50	0.48
	8.10	**8.28**

Details of CSR expenditure:

Gross amount required to be spent by the Company during the year: Rs. 77.20 (March 31, 2018: Rs. 71.11) million.

For the year ended March 31, 2019

Rupees in Million

		In cash	Yet to be paid in cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than above	74.09	-	74.09

For the year ended March 31, 2018

Rupees in Million

		In cash	Yet to be paid in cash	Total
i)	Construction / acquisition of any asset	-	-	-
ii)	On purposes other than above	67.70	-	67.70

		As at March 31		Currency	Face value	As at March 31	
		2019	2018			2019	2018
		No. of shares				Rupees in Million	
26.	Details of non - current investments						
	Investments in unquoted equity instruments (fully paid up)						
	Talentick Edusolutions Private Limited	8,000	8,000	Re.	1	2.40	2.40
	Investments in equity shares of subsidiaries (fully paid up) [Trade]						
	eClerx LLC	100	100	USD	1	496.97	485.23
	eClerx Limited	100	100	GBP	1	40.44	37.54
	eClerx Private Limited	1	1	SGD	1	4.35	4.07
	eClerx Investments (UK) Limited	5,251,224	5,251,224	GBP	1	501.57	503.29
	Investments in unquoted preference shares (fully paid up) of subsidiaries [Trade]						
	eClerx Investments Limited	7,776,000	7,776,000	GBP	1	605.67	605.67
	eClerx Investments (UK) Limited	13,434,888	13,434,888	GBP	1	1,344.77	1,344.77
	Less: Provision for diminution in value of investments					(605.67)	(605.67)
	Total					**2,390.50**	**2,377.30**

Investments in Indian money market mutual funds	As at March 31		As at March 31	
	2019	2018	2019	2018
	Number of units		Rupees in Million	
27. Details of current investments				
Birla Sun Life Savings Fund - Daily Dividend - Direct Plan	3,020,503	550,549	303.02	55.16
Birla Sun Life Floating Rate Fund STP - IP - Reinvestment - Daily Dividend	-	2,210,094	-	221.36
Kotak Treasury Advantage Fund Direct DDR	-	6,483,911	-	65.36
Kotak Liquid - Daily Dividend	234,066	-	286.33	-
Kotak Savings Fund- Daily Dividend (Regular Plan) (Erstwhile Kotak Treasury Adv)	30,049,522	-	303.01	-
Kotak Low Duration Fund Direct Weekly Dividend	-	294,793	-	354.37
ICICI Prudential Money Market Fund - Direct Plan- Daily Dividend	3,010,485	3,706,653	301.75	371.42
Reliance Medium Term Fund-Direct Plan Daily Dividend	-	20,240,294	-	346.23
Reliance Liquid Fund Cash Plan-DD	-	62,798	-	70.21
Reliance Liquid Fund - Daily Dividend	217,996	-	333.39	-
Reliance Money Market Fund- Direct Plan Daily Dividend Plan Dividend Reinvestment	70,235	-	70.44	-
UTI Liquid Fund Cash Plan	196,343	-	200.16	-
UTI - Money Market Fund -Institutional Plan - Direct Plan - Daily Dividend	-	115,410	-	115.80
UTI Money Market Fund- Direct Daily Dividend Plan Reinvestment	328,663	-	329.78	-
Aditya Birla Sun Life Liquid Fund - Daily dividend - Direct Plan (formerly known as Aditya Birla Sun Life Cash Plus)	1,997,484	-	200.23	-
SBI Liquid Fund Direct Daily Dividend	335,093	-	336.18	-
DSP Liquidity Fund - Direct Plan - Daily Dividend	140,567	-	140.70	-
Reliance Fixed Horizon Fund XXXVI Series 4	-	5,000,000	-	50.41
Total			2,805.00	1,650.32

28. Components of Other Comprehensive Income ("OCI") and exceptional items

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
During the year ended March 31, 2019:			
Net movement on cash flow hedges	(41.91)	-	(41.91)
Income tax effect on net movement on cash flow hedges	11.27	-	11.27
Remeasurement gains/(losses) on defined benefit plans	-	(12.33)	(12.33)
Income tax effect on remeasurement gains/(losses) on defined benefit plans	-	3.50	3.50
	(30.64)	**(8.83)**	**(39.47)**

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
During the year ended March 31, 2018:			
Net movement on cash flow hedges	(393.03)	-	(393.03)
Income tax effect on net movement on cash flow hedges	64.54	-	64.54
Remeasurement gains on defined benefit plans	-	4.23	4.23
Income tax effect on remeasurement gains/(losses) on defined benefit plans	-	(1.18)	(1.18)
	(328.49)	**3.05**	**(325.44)**

	March 31, 2019	March 31, 2018
	Rupees in Million	Rupees in Million
Exceptional items - gain/(loss)		
Net SEIS income	-	212.59
	-	**212.59**

During the financial year 2017-18, the Company recognised net SEIS income of Rs. 121.85 million for financial year 2015-16 (on realisation basis) and Rs. 90.74 million for financial year 2016-17 (on estimation basis). The total net SEIS income for financial year 2015-16 and 2016-17 of Rs. 212.59 million was disclosed as exceptional item.

29. Earnings per share ("EPS")

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 equity shares considered for deriving basic earnings per equity share, and also the weighted average number of equity shares, which would be issued on the conversion of all dilutive potential equity shares into equity shares, unless the results would be anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

	March 31, 2019	March 31, 2018
	Rupees in Million	Rupees in Million
Profit attributable to equity holders	2,096.13	2,781.19
Weighted average number of equity shares for basic EPS	38,679,646	39,807,763
Dilutive impact of employee stock options	57,837	184,815
Weighted average number of equity shares adjusted for the effect of dilution	38,737,483	39,992,578
Earnings per equity share (in Rs.)		
Basic	54.19	69.87
Diluted	54.11	69.54

30. Gratuity benefit plans

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, the employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity scheme is managed by a trust which regularly contributes to insurance service provider which manages the funds of the trust . The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations. The Company recognises actuarial gains and losses immediately in other comprehensive income, net of taxes.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet:

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Current service cost	37.95	34.25
Past service cost	-	23.30
Interest cost on benefit obligation	17.06	13.67
Return on plan assets (excluding amounts included in net interest expense)	(0.78)	(0.31)
	54.23	**70.91**

	Defined benefit obligation Rupees in Million	Fair value of plan assets Rupees in Million	Total Rupees in Million
Employee benefit liability as on April 1, 2017	**192.00**	**4.43**	**187.57**
Gratuity cost charged to statement of profit and loss			
Current service cost	34.25	-	34.25
Past service cost	23.30	-	23.30
Net interest expense	13.67	-	13.67
Return on plan assets (excluding amounts included in net interest expense)	-	0.31	(0.31)
Sub-total included in statement of profit and loss (refer note 23)	**71.22**	**0.31**	**70.91**
Benefits paid			
from fund	(33.49)	(33.49)	-
paid by employer	-	-	-
Remeasurement losses in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	(16.29)	-	(16.29)
Experience adjustments	12.06	-	12.06
Sub-total of remeasurment losses included in OCI	**(4.23)**	**-**	**(4.23)**
Contributions by employer	-	38.90	(38.90)
Employee benefit liability as on March 31, 2018	**225.50**	**10.15**	**215.35**
Employee benefit liability as on April 1, 2018	**225.50**	**10.15**	**215.35**
Gratuity cost charged to statement of profit and loss			
Current service cost	37.95	-	37.95
Past service cost	-	-	-
Net interest expense	17.06	-	17.06
Return on plan assets (excluding amounts included in net interest expense)	-	0.78	(0.78)
Sub-total included in statement of profit and loss (refer note 23)	**55.01**	**0.78**	**54.23**
Benefits paid			
from fund	(34.72)	(34.72)	-
paid by employer	-	-	-

	Defined benefit obligation	Fair value of plan assets	Total
	Rupees in Million	Rupees in Million	Rupees in Million
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	3.73	-	3.73
Experience adjustments	8.60	-	8.60
Sub-total of remeasurment losses / (gains) included in OCI	**12.33**		**12.33**
Contributions by employer	-	34.99	(34.99)
Employee benefit liability as on March 31, 2019	**258.12**	**11.20**	**246.92**

The principal assumptions used in determining gratuity obligations of the Company are shown below:

	March 31, 2019	March 31, 2018
	%	%
Discount rate:		
India gratuity plan	7.47	7.56
Future salary increases:		
India gratuity plan	7.00	7.00
Assumption:		
Expected return on plan assets	7.47	7.56
Employee turnover:		
a. For service 4 years and below (p.a.)	30.00	30.00
b. For service 5 years and above (p.a.)	2.00	2.00

Mortality Rate During Employment is based on report of Indian Assured Lives Mortality (2006-08).

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2019	March 31, 2018
	Rupees in Million	Rupees in Million
Effect of +1% Change in discount rate	(35.47)	(31.87)
Effect of -1% Change in discount rate	43.40	39.22
Effect of +1% Change in future salary increases	37.24	34.04
Effect of -1% Change in future salary increases	(31.95)	(29.08)
Effect of +1% Change in employee turnover	3.13	2.80
Effect of -1% Change in employee turnover	(3.73)	(3.38)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2019	March 31, 2018
	Rupees in Million	Rupees in Million
Within the next 12 months (next annual reporting period)	8.41	6.97
Between 2 and 5 years	28.41	24.79
Between 5 and 10 years	50.63	43.49
Total expected payments	**87.45**	**75.25**

The average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (March 31, 2018: 18 years).

31. Share-based payments

Employee Stock Option Plan

Under the employee stock option plan, the Company, grants options to senior executive employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Commitee. Vesting period is three years from the date of grant. Further, vesting of certain portion of the stock options is dependent on the Compounded Annual Growth Rate of the organic operating revenues of the Company.The fair value of the stock options is estimated at the grant date using a Black and Scholes model, taking into account the terms and conditions upon which the share options were granted. The contractual term of each option granted is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement of these options.

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Expense arising from equity-settled share-based payment transactions	22.20	26.93
Total expense arising from share-based payment transactions	**22.20**	**26.93**

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 ended March 31, 2016, the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 Scheme, however active options thereunder would continue to vest as per the respective terms.

Movements during the year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	March 31, 2018 No. of options	March 31, 2018 WAEP
Outstanding at the beginning of the year	16,401	517.70
Forfeited during the year	6,535	517.70
Exercised during the year	9,866	517.70
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	

The weighted average share price at the date of exercise of these options was Rs. 1,376 per share during the FY 2017-18.

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.

Movements during the year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	March 31, 2019 No. of options	March 31, 2019 WAEP	March 31, 2018 No. of options	March 31, 2018 WAEP
Outstanding at the beginning of the year	746,807	1,006.10	1,281,074	978.19
Forfeited during the year	383,368	1,167.45	409,222	1,097.16
Exercised during the year	82,013	619.86	125,045	657.59
Outstanding at the end of the year	**281,426**	**1,076.21**	**746,807**	**1,006.10**
Exercisable at the end of the year	281,426		219,317	

The weighted average share price at the date of exercise of these options was Rs. 1,186 per share. (March 31, 2018: Rs. 1,319)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 1.87 years (March 31, 2018: 2.92 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 463.91 to Rs. 1,196.25 (March 31, 2018: Rs. 463.91 to Rs. 1,196.25).

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

ESOP 2015 scheme:

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"), the Company had framed and instituted Employee Stock Option Plan 2015 ("ESOP 2015") to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company. ESOP 2015 envisages an ESOP trust which is authorised for secondary acquisition and accordingly during the year under review, ESOP Trust has bought 433,200 shares (in financial year 2017-18: 412,547 shares) from open market.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under ESOP 2015 scheme:

	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	633,405	1,327.87	299,208	1,379.15
Granted during the year	383,720	1,320.95	382,663	1,294.00
Forfeited during the year	149,780	1,330.38	48,466	1,348.34
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**867,345**	**1,327.84**	**633,405**	**1,327.87**
Exercisable at the end of the year	-		-	

These options are not yet vested as of March 31, 2019.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4.73 years (March 31, 2018: 5.07 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 1,294 to Rs. 1,379.15 (March 31, 2018: Rs. 1,294 to Rs. 1,379.15).

The weighted average fair value of options granted during the year was Rs. 292.03 (March 31, 2018: Rs. 455.97)

The average vesting period is 3 years and exercise period is 3 years.

The following tables lists the inputs to the models used for fair valuation of the options granted :

	For the year ended March 31,2019	For the year ended March 31,2018
Date of grant	May 23, 2018	May 30, 2017
Dividend yield (%)	5.13	0.08
Expected volatility (%)	28.96	32.03
Risk–free interest rate (%)	7.84	6.74
Expected life of share options (years)	4.01	3.85
Model used	Black and Scholes	Black and Scholes
Stock Price (Rs.)	1,320.95	1,294.00
Exercise Price (Rs.)	1,320.95	1,294.00

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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for the year ended March 31, 2019

32. Commitments and contingencies

a. Leases

Operating lease commitments — Company as lessee

The Company has entered into 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.

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Lease payments recognised in the statement of profit and loss	471.01	424.57
Future minimum lease payments for non-cancellable operating leases		
Within one year	126.97	81.52
After one year but not more than five years	478.98	91.44
Total	**605.95**	**172.96**
b. Commitments		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	37.22	11.57
c. Contingent liabilities		
Income Tax demands (refer note a)	116.41	101.76
Indirect Tax demands (refer note b)	137.42	141.10

Notes:

(a) The Company has received Income tax demands amounting to Rs. 116.41 million (excluding interest) for financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 against which appeals are pending with Commissioner of Income Tax (Appeals) , Commissioner of Income Tax and Income tax Appelate Tribunal.

(b) The Company has received Service tax demands amounting to Rs. 137.42 million(excluding interest and penalties) for the period April 2007 to March 2013 against which appeals are pending with Central Excise and Service Tax Appelate Tribunal. .

With respect to tax refund claims for the period July 2014 till March 2017 to the extent rejected by the Services Tax Deparment for Rs.2.11 million, the Company's appeals are pending before the Commissioner of Central Excise & CGST (Appeals).

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

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33. Related party transactions

A. Related Parties and Key Management Personnel

Name of related party and related party relationship

Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013

(a) Where control exists:

1. eClerx Limited (wholly owned subsidiary)
2. eClerx LLC (wholly owned subsidiary)
3. eClerx Private Limited (wholly owned subsidiary)
4. eClerx Investments (UK) Limited (wholly owned subsidiary)
5. CLX Europe S.P.A. (100% subsidiary of eClerx Investments (UK) Limited)
6. Sintetik S.R.L. (100% subsidiary of CLX Europe S.P.A., merged with CLX Europe S.P.A. w.e.f. December 31, 2018)
7. CLX Europe Media Solution GmbH (100% subsidiary of CLX Europe S.P.A.)
8. CLX Europe Media Solution Limited (100% subsidiary of CLX Europe Media Solutions GmbH)
9. CLX Thai Company Limited (49% holding of CLX Europe S.P.A.)
10. eClerx Employee Welfare Trust (Entity under control of the Company)
11. eClerx Canada Limited (wholly owned subsidiary of eClerx Investments (UK) Limited)

(b) Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013 with whom transactions have taken place during the year

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

1. Duncan Stratton & Company Limited (till Financial Year 2017-18)

(II) Key Management Personnel:

1. Pradeep Kapoor (Non-Executive Director - Chairman)
2. PD Mundhra (Executive Director)
3. Anjan Malik (Non-Executive Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Pratik Bhanushali (Company Secretary)
6. Biren Gabhawala (Non-Executive Independent Director)
7. Anish Ghoshal (Non-Executive Independent Director)
8. Alok Goyal (Non-Executive Independent Director)
9. Deepa Kapoor (Non-Executive Independent Director)
10. Shailesh Kekre (Non-Executive Independent Director)
11. Vikram Limaye (Non-Executive Independent Director) resigned w.e.f. June 10, 2017
12. Gaurav Tongia (Company Secretary) resigned w.e.f. November 17, 2017
13. V.K. Mundhra (Non-Executive Director-Chairman) resigned w.e.f. November 1, 2017

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.

Transactions with Wholly owned subsidiaries / Step down subsidiaries:

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
eClerx Limited	Sales and marketing services by subsidiary to the Company	413.49	454.95	99.40 Payable	174.40 Payable
	Amount received by the Company on behalf of the subsidiary	-	2.13		
	Information Technology Enabled Services ("ITES") services by subsidiary to the Company	21.09	7.41		
	Amount received by subsidiary on behalf of the Company	12.58	0.46	4.37 Receivable	1.98 Receivable
	Expense incurred by the Company on behalf of subsidiary	2.36	1.99		
	ITES services by the Company to subsidiary company	-	1.52		
eClerx LLC	Sales and marketing services by subsidiary to the Company	1,862.01	1,576.38	525.18 Payable	510.51 Payable
	Amount received by the Company on behalf of the subsidiary	116.87	7.06		
	ITES services by subsidiary to the Company	30.94	21.21		
	Expense incurred by subsidiary on behalf of the Company	2.26	-		
	Expense incurred by the Company on behalf of subsidiary	2.18	2.99	11.03 Receivable	43.69 Receivable
	Amount received by subsidiary on behalf of the the Company	14.41	9.40		
	ITES services by the Company to subsidiary company	35.44	43.43		
eClerx Private Limited	Sales and marketing services by subsidiary to the Company	97.07	86.78	28.28 Payable	26.89 Payable
	ITES services by subsidiary to the Company	5.48	2.92		
	Amount received by the Company on behalf of the subsidiary	-	3.16		
	Expense incurred by the Company on behalf of subsidiary	2.95	1.61	1.55 Receivable	3.98 Receivable
	ITES services by the Company to subsidiary company	0.95	-		
	Amount received by subsidiary on behalf of the Company	10.24	6.52		
CLX Europe S.P.A.	ITES services provided by step down subsidiary to the Company	34.40	26.82	1.90 Payable	6.79 Payable
	ITES services provided by the Company to step down subsidiary	111.53	104.80	9.75 Receivable	10.97 Receivable
CLX Europe Media Solutions Limited	ITES services provided by the Company to step down subsidiary		1.81	-	-
eClerx Canada Limited	Sales and marketing services by subsidiary to the Company	19.31	-	7.93 Payable	-
eClerx Employee Welfare Trust*	Loan given including accrued interest	612.84	564.89	1,292.30 Receivable	679.46 Receivable

*Entity under control of the Company

Transactions with Enterprises where Key Managerial Personnel and / or relative of such personnel have significant influence:

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Duncan Stratton & Company Limited	Rent	-	0.03	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at the year end are unsecured and interest free and settlement occurs through banks.

Loan to Related parties

The loan granted to eClerx Employee Welfare Trust is intended to finance purchase of shares from the open market for allotment to employees under the stock option schemes.The loan is unsecured and repayable in full. The average interest rate charged is 7.83% (March 31, 2018 : 9.18%). The loan has been utilised for the purpose it was granted.

Transactions with key management personnel

Name	Nature of Transaction	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Anjan Malik	Dividend	9.76	9.97
PD Mundhra	Dividend	9.76	9.97
Pradeep Kapoor	Dividend	0.01	0.01
V.K. Mundhra	Dividend	-	0.04
Rohitash Gupta	Dividend	0.01	0.01
Gaurav Tongia	Dividend	-	0.01
Biren Gabhawala	Dividend	0.01	0.01
Anish Ghoshal	Dividend	0.01	0.01
Biren Gabhawala	Commission & Sitting Fees	2.12	1.89
Anish Ghoshal	Commission & Sitting Fees	2.12	1.85
Vikram Limaye	Commission & Sitting Fees	-	0.36
Pradeep Kapoor	Commission & Sitting Fees	2.06	1.87
Alok Goyal	Commission & Sitting Fees	2.06	1.81
Deepa Kapoor	Commission & Sitting Fees	2.12	1.87
Shailesh Kekre	Commission & Sitting Fees	2.12	1.83
V.K. Mundhra	Buy Back of shares	-	2.40
PD Mundhra	Buy Back of shares	-	569.24
Anjan Malik	Buy Back of shares	-	569.56
Pradeep Kapoor	Buy Back of shares	-	0.45
Biren Gabhawala	Buy Back of shares	-	0.37
Rohitash Gupta	Buy Back of shares	-	0.65

Compensation of key management personnel of the Company

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
PD Mundhra		
Short-term employee benefits	21.39	24.15
Rohitash Gupta		
Short-term employee benefits	12.92	12.09
Share-based payment	0.02	4.98
Gaurav Tongia (resigned w.e.f. November 17, 2017)		
Short-term employee benefits	-	2.13
Share-based payment	-	-
Pratik Bhanushali		
Short-term employee benefits	3.13	0.57
Total compensation paid to key management personnel	**37.46**	**43.92**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel except share based payment which is disclosed on the basis of shares exercised.

34. Segment Information

The Board of Directors i.e. Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company operates under a single reportable segment which is data management, analytics solutions and process outsourcing services. Further the risks and rewards under various geographies where the Company operates are similar in nature.

The following tables present revenue and assets information regarding the Company's geographical segments:

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Revenue for customers		
United States of America	7,990.68	7,633.58
United Kingdom	635.10	573.56
Europe	1,830.40	1,679.61
Asia Pacific	616.52	1,446.29
Total Revenue	**11,072.70**	**11,333.04**

The Company has four customers with revenue greater than 10% each of total company revenue totalling Rs.6,647.96 million for the year ended March 31, 2019 and three customers with revenue greater than 10% each of total company revenue totalling Rs. 5,466.67 million for the year ended March 31, 2018.

	As at March 31, 2019	As at March 31, 2018
	Rupees in Million	Rupees in Million
Non - current operating assets		
Asia Pacific	963.95	692.86
Total Assets	963.95	692.86

Note: Non - current operating assets for this purpose consists of property plant and equiment, capital work in progress, other intangibles, other non - current assets and net tax assets.

35. Hedging activities and derivatives

Cash Flow Hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in US Dollars. These forecast transactions are highly probable, and they comprise about 70% of the Company's total expected sales in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in the foreign exchange forward rate. The terms of foreign currency forward contracts match with the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

Type of Hedge and Risks	Nominal Value (Rupess in Million)	Carrying amount of hedging instrument (Rupess in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
March 31, 2019					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	10,416.27	207.33	-	April 2019-April 2021	72.65
March 31, 2018					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,721.29	249.24	-	April 2018-March 2020	68.78

The cash flow hedges of the expected future sales during the year ended March 31, 2019 were assessed to be highly effective and a net unrealised gain of Rs. 207.33 million, with a deferred tax liability of Rs. 57.60 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges of the expected future sales during the year ended March 31, 2018 were assessed to be highly effective and an unrealised gain of Rs. 249.24 million, with a deferred tax liability of Rs. 68.88 million was included in OCI in respect of these contracts.

The amounts reclassified from OCI to profit or loss for the year ended March 31, 2019, amounts to loss of Rs.122.88 million (March 31, 2018: gain of Rs. 761.96 million).

36. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rupees in Million

	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
Financial investments	2,805.00	1,650.32	2,805.00	1,650.32
Foreign exchange forward contracts	207.33	249.24	207.33	249.24
Total	**3,012.33**	**1,899.56**	**3,012.33**	**1,899.56**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets carried at fair value through profit and loss ("FVTPL") are derived from quoted market prices in active markets.

The Company enters into derivative financial instruments with various counterparties. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques include forward pricing using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. As at March 31, 2019, the marked-to-market value of derivative asset positions should be net of credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships recognised at fair value.

The fair value of security deposit that carries no interest is measured at the present value by discounting using the prevailing market rate of interest for a similar instrument with a similar credit rating.

37. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2019:

Rupees in Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign exchange forward contracts	March 31, 2019	207.33	-	207.33	-
FVTPL financial investments (refer note 36):					
Investments in quoted mutual funds	March 31, 2019	2,805.00	2,805.00	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Rupees in Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Foreign exchange forward contracts	March 31, 2018	249.24	-	249.24	-
FVTPL financial investments (refer note 36):					
Investments in quoted mutual funds	March 31, 2018	1,650.32	1,650.32	-	-

38. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken which is consistent with the Company's foreign risk management policy. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTPL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post- retirement obligations; provisions, and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges at March 31, 2019 and March 31, 2018 for the effects of the assumed changes of the underlying risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investment in foreign subsidiaries.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 24-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure with forecasted sales.

As at March 31, 2019, the Company hedged 70% (March 31, 2018: 86%) of its expected foreign currency sales in US dollars. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2019	+5%	125.88	(10.37)
	-5%	(125.88)	10.37
March 31, 2018	+5%	146.51	(12.46)
	-5%	(146.51)	12.46

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2019	+5%	1.65	-
	-5%	(1.65)	-
March 31, 2018	+5%	-	-
	-5%	-	-

Equity price risk

The Company's equity price risk is minimal due to no investment in listed securities and immaterial investment in non-listed equity securities.

At the reporting date, the exposure to unlisted equity securities at was Rs. 2.4 million. No sensitivity analysis done since amount is immaterial.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

For trade receivables or contract revenue receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's treasury department on a periodic basis as per the Board of Directors approved Investment policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 35.

Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations.The objective of liquidity risk management is to maintian sufficient liquidity and ensure that funds are available for use as per requirements.The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Rupees in Million

	On demand	Less than 3 months	3 to 12 months	> 1 years	Total
Year ended March 31, 2019					
Other financial liabilities	-	256.79	68.70	-	325.49
Trade and other payables	-	681.54	8.85	-	690.36
	-	938.30	77.55	-	1,015.85

Rupees in Million

	On demand	Less than 3 months	3 to 12 months	> 1 years	Total
Year ended March 31, 2018					
Other financial liabilities	-	204.08	49.66	9.47	263.21
Trade and other payables	-	720.74	16.83	4.43	742.00
	-	924.82	66.49	13.90	1,005.21

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

40. Buyback of shares

During the previous year ended March 31, 2018, the Company bought back 1,290,000 shares of Rs. 10 each at a buyback price of Rs. 2,000 per share and total buyback amounted to Rs. 2,580 million.

The Board of Directors vide their meeting dated March 14, 2019 approved, subject to shareholders' approval, buyback of equity shares of the Company. Subsequent to balance sheet date, the shareholders' approval was procured vide postal ballot, results of which were announced on April 26, 2019. The Share Buyback Committee accordingly determined the final buyback price of Rs. 1,500 per share and the final amount available for Buyback is Rs.2,620 million.

41. Transfer pricing

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.

42. Standards issued but not yet effective

Ind AS 116 : Leases

Ind AS 116 was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116 will come into force from April 1, 2019. Ind AS 116 permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period applying Ind AS 8 Accounting Polices, Changes in Accounting Estimates and Errors or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 116 recognised at the date of initial application (i.e. April 1, 2019). Certain practical expedients are available under both the methods. The standard also contains additional disclosures requirements as defined in Ind AS 116. The Company is evaluating the requirements of the standard and the effect on its financial statements.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation will come into force from April 1, 2019. The Company is evaluating the requirements of the amendment and the effect on its financial statements.

Amendments to Ind AS 12 – Income taxes

The amendments clarify that the income tax consequence of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment will come into force from April 1, 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

Amendments to Ind AS 19 – Employee benefits

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

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 23, 2019

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

Pradeep Kapoor	**PD Mundhra**	**Anjan Malik**	**Biren Gabhawala**
Chairman	Executive Director	Director	Director

Rohitash Gupta	**Pratik Bhanushali**
Chief Financial Officer	Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of eClerx Services Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of eClerx Services Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") comprising of the consolidated Balance Sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (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, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition	
The Group enters into long term and short-term customer contracts. Revenue from these contracts is recognised in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers (as described in note 2.3(d) and note 22 of the consolidated Ind AS financial statements). Revenue from sale of services for the year ended March 31, 2019 amounted to Rs. 13,980.31 million and unbilled receivables as at March 31, 2019 amounted to Rs. 994.06 million. Considering amount and volume of transactions, there is a risk that unbilled revenue at period end date, did not occur or is not as per terms agreed with customers.	• Our audit procedures included assessing the Group's revenue recognition accounting policies in accordance with Ind AS 115, Revenue from Contracts with Customers. • We obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Group's accounting policies. We tested relevant internal controls, including IT controls, over revenue process. • We tested a sample of new revenue contracts entered by the Group, to assess whether revenue has been recognised as per contractual terms and as per Group accounting policies. • We selected a sample of revenue transactions with unbilled revenue at the year-end and traced these to underlying terms agreed with customers, proof of service delivery and internal control approvals. Also, we checked ageing of unbilled receivables and tested, on a sample basis, invoices raised subsequent to year end.

Key audit matters	How our audit addressed the key audit matter
Impairment of Goodwill	
The Group's balance sheet includes Rs 2,182.27 million of goodwill, representing 14% of total Group assets. In accordance with Ind AS 36 'Impairment of Assets', these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment. The Group's disclosures are included in Note 2.3 (i) and Note 31 to the consolidated Ind AS financial statements, which outlines the accounting policy and give method and assumptions used for impairment testing. The inputs to the impairment testing model which have the most significant impact on CGU recoverable value include projected revenue growth, budgeted operating margins and operating cash-flows, pre-tax discount rates and terminal value. The annual impairment testing is considered a significant accounting judgement and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the consolidated Ind AS financial statements as a whole.	Our audit procedures included the following: • We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated. In making this assessment, we also evaluated the objectivity and independence of Company's external specialists involved in the process. • We assessed the assumptions around the key drivers of the cash flow forecasts including expected growth rates. We involved our valuation specialists to assist in evaluating assumptions of discount rates and terminal growth rates used in the valuation. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We tested the arithmetical accuracy of the models.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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; 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of five subsidiaries whose Ind AS financial statements include total assets of Rs 2,546.54 million as at March 31, 2019, and total revenues of Rs 1,792.53 million and net cash inflows of Rs 101.60 million for the year ended on that date. These Ind AS financial statement and other financial information 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 Ind AS 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 report of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report 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 purposes of our audit of the aforesaid consolidated Ind AS 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, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2019 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 with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, since none of the subsidiary companies are incorporated in India, no separate report on internal financial control over financial reporting is being issued with this report. We have issued a separate report on internal financial controls over financial reporting of the Holding Company with our audit report on the standalone Ind AS financial statements of the Holding Company dated May 23, 2019.

(g) In our opinion the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph':

   (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 34(c) to the consolidated Ind AS financial statements;

   (ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019; and

   (iii) During the year ended March 31, 2019, the Holding Company has transferred unpaid dividend of Rs 260,123 for FY 2010-2011 to the Investor Education and Protection Fund on November 9, 2018 with delay of 17 days.

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 23, 2019

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

	Notes	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Assets			
Non-current assets			
Property, plant and equipment	3	828.63	654.28
Capital work in progress	3	1.65	0.90
Goodwill on consolidation	4	2,182.27	2,220.14
Other intangible assets	4	468.24	559.84
Financial assets			
Investments	6	2.40	2.40
Other financial assets	10	195.28	144.90
Derivative instruments	7	94.40	7.39
Deferred tax assets (net)	21	202.72	121.25
Other non-current assets	11	265.47	150.01
Non-current tax assets (net)		91.00	74.54
		4,332.06	**3,935.65**
Current assets			
Inventories	5	3.59	4.38
Financial assets			
Investments	6	2,860.24	1,650.32
Trade receivables	8	2,425.89	2,328.47
Cash and cash equivalents	9.a.	1,256.24	2,030.29
Other bank balances	9.b.	3,259.22	2,372.38
Other financial assets	10	1,109.78	1,237.32
Derivative instruments	7	112.93	241.85
Other current assets	12	610.01	499.61
Current tax assets (net)		1.96	9.97
		11,639.86	**10,374.59**
Total assets		**15,971.92**	**14,310.24**
Equity and liabilities			
Equity			
Equity share capital	13	377.90	381.41
Other equity	14	13,435.08	11,666.05
Total equity attributable to shareholders of the Company		**13,812.98**	**12,047.46**
Non-controlling interests		5.85	5.35
Total equity		**13,818.83**	**12,052.81**

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

	Notes	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Non-current liabilities			
Financial Liabilities			
Borrowings	17	8.11	6.02
Deferred tax liabilities (net)	21	132.09	152.26
Employee benefit obligations	15	405.89	336.31
Other non-current liabilities	16	127.88	135.36
		673.97	**629.95**
Current liabilities			
Financial liabilities			
Borrowings	17	8.63	57.42
Trade payables			
Total outstanding dues of Micro enterprises and small enterprises	18.a.	3.37	4.22
Total outstanding dues of creditors other than Micro enterprises and small enterprises	18.b.	112.69	200.48
Other current financial liabilities	19	443.04	383.77
Other current liabilities	20	161.98	135.78
Employee benefit obligations	15	703.13	785.50
Current tax liabilities (net)		46.28	60.31
		1,479.12	**1,627.48**
Total equity and liabilities		**15,971.92**	**14,310.24**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated 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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2019

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Revenue from operations	22	14,305.93	13,650.62
Other income	23	485.92	402.31
Total Income		**14,791.85**	**14,052.93**
Expenses			
Employee benefits expense	24	7,868.94	6,924.56
Cost of technical sub-contractors		714.12	701.24
Depreciation and amortisation expense	25	446.92	482.42
Finance costs	26	0.39	0.40
Other expense	27	2,646.74	2,361.68
Total expense		**11,677.11**	**10,470.30**
Profit before exceptional items & taxes		**3,114.74**	**3,582.63**
Exceptional item - gain / (loss)	28	-	212.59
Profit before taxes		**3,114.74**	**3,795.22**
Tax expenses			
Current tax	21		
Pertaining to current year		928.36	1,016.37
Adjustments in respect of current income tax of previous year		(16.75)	(23.80)
Deferred tax	21	(79.88)	(96.77)
Income tax expense		**831.73**	**895.80**
Profit for the year		**2,283.01**	**2,899.42**
Attributable to:			
Shareholders of the Company		2,282.63	2,899.84
Non- controlling interest		0.38	(0.42)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement (losses) / gains on defined benefit plans	28	(12.33)	4.23
Income tax effect	21	3.50	(1.18)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

	Notes	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**(8.83)**	**3.05**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	28	(41.91)	(393.03)
Deferred tax on net movement on cash flow hedges	28	11.27	64.54
Exchange differences on translation of foreign operations	28	(22.26)	299.19
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		**(52.90)**	**(29.30)**
Other comprehensive income for the year, net of tax		**(61.73)**	**(26.25)**
Total comprehensive income for the year, net of tax		**2,221.28**	**2,873.17**
Attributable to:			
Shareholders of the Company		2,220.90	2,873.59
Non - controlling interest		0.38	(0.42)
Earnings per equity share			
Basic (Face value of Rs. 10 each)	29	60.07	73.23
Diluted (Face value of Rs. 10 each)	29	59.98	72.89
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated 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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2019

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

	Notes	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Operating activities			
Profit before tax		3,114.74	3,795.22
Adjustments to reconcile profit before tax to net cash flows by operating activities:			
Depreciation of property, plant and equipment	25	341.78	338.69
Amortisation and impairment of intangible assets	25	105.14	143.73
Share-based payment expense	24	35.40	68.61
Net foreign exchange differences - trade receivables		46.79	(60.81)
Net foreign exchange differences - trade payables		(3.38)	3.08
Finance cost	26	0.39	0.40
(Profit) / Loss on sale of assets	27, 23	(0.22)	0.58
Interest income on corporate rent deposits	23	(12.54)	(12.41)
Amortised cost on corporate rent deposits		11.43	12.50
(Profit) on sale of current investments	23	(14.49)	(0.81)
Dividend income	23	(97.48)	(149.79)
Interest income	23	(244.81)	(130.24)
Other adjustments	28	(12.33)	(3.05)
Bad debts written off	27	5.23	12.86
Fair value loss / (gain) on financial instruments at fair value through profit or loss	27	15.83	3.99
Interest on income tax refund		-	(9.05)
Provision for doubtful debts	27	3.20	9.22
		3,294.68	**4,022.72**
Working capital adjustments:			
(Decrease) / Increase in employee benefit obligations		(12.79)	198.56
(Increase) in trade receivables		(152.64)	(151.44)
Decrease / (Increase) in inventories		0.79	(1.92)
(Increase) / Decrease in other current and non current assets		(223.02)	(25.76)
Decrease / (Increase) in other current and non current financial assets		113.63	(231.30)
(Decrease) / Increase in trade payables, other current and non current liabilities and provisions		(26.03)	184.98
Cash generated by operating activities		**2,994.62**	**3,995.84**
Payment of domestic and foreign taxes (net of refunds)		(933.07)	(945.81)
Net cash flows from operating activities		**2,061.55**	**3,050.03**
Investing activities			
Proceeds from sale of current investments		12,419.80	9,302.22
Purchase of current investments		(13,629.53)	(8,441.73)
Investment in bank deposits (having original maturity of more than three months)		(4,941.07)	(2,212.28)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

	Notes	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Redemption/maturity of bank deposits (having original maturity of more than three months)		4,079.71	1,649.08
Payment of unclaimed dividend		(0.24)	(0.18)
Proceeds from sale of property, plant and equipment		1.12	1.76
Purchase of property, plant and equipment and intangibles (including capital work in progress)		(521.26)	(416.54)
Dividend received		97.48	149.79
Interest received		185.69	137.77
Net cash flows (used in) / generated from investing activities		**(2,308.30)**	**169.89**
Financing activities			
Proceeds from issue of equity share capital		50.84	86.95
Proceeds from equity issue pending allotment		2.41	(0.39)
Purchase of treasury shares by eClerx Employee Welfare Trust		(498.93)	(522.89)
Disbursement of dividend		(37.99)	(39.74)
Dividend distribution tax		(7.95)	(8.12)
Finance costs		(0.39)	(0.40)
Buyback of equity shares		-	(2,603.31)
Bank loan (repaid) / taken		(46.70)	52.81
Net cash flows (used in) financing activities		**(538.71)**	**(3,035.09)**
Effect of exchange fluctuation on cash and cash equivalents		11.41	93.20
Net (Decrease) / Increase in cash and cash equivalents		**(774.05)**	**278.03**
Cash and cash equivalents at the beginning of the year	9(a)	2,030.29	1,752.26
Cash and cash equivalents at the end of the year	**9(a)**	**1,256.24**	**2,030.29**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated 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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2019

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

		No. of shares	Share capital Rupees in Million
a.	**Equity share capital**		
	Equity shares of Rs.10 each issued, subscribed and fully paid		
	As at April 1, 2017	**39,709,058**	**397.10**
	Add: Shares allotted during the year ended March 31, 2018 under the employee stock option plan (ESOP)	134,911	1.35
	Less: Buyback of shares during the year (refer note 42)	(1,290,000)	(12.90)
	Less: Shares purchased by eClerx Employee Welfare Trust	(412,547)	(4.13)
	As at March 31, 2018	**38,141,422**	**381.41**
	Add: Shares alloted during the year ended March 31, 2019 under the employee stock option plan (ESOP)	82,013	0.82
	Less: Shares purchased by eClerx Employee Welfare Trust	(433,200)	(4.33)
	As at March 31, 2019	**37,790,235**	**377.90**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

b. Other equity

For the year ended March 31, 2019

		Reserves and Surplus							Items of OCI					Rupees in Million
Particulars	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	Statutory reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non-controlling interest	Total
As at April 1, 2018	2.00	24.98	114.80	187.94	1.11	-	0.11	11,095.41	683.75	180.36	(624.41)	11,666.05	5.35	11,671.40
Profit for the period	-	-	-	-	-	-	-	2,282.63	-	-	-	2,282.63	0.38	2,283.01
Other comprehensive income (refer note 28)	-	-	-	-	-	-	-	(8.83)	(22.26)	(30.64)	-	(61.73)	-	(61.73)
Dividend and dividend tax paid (refer note 14)	-	-	-	-	-	-	-	(45.94)	-	-	-	(45.94)	-	(45.94)
Statutory reserve as per local law in overseas subsidiary (refer note 14)	-	-	-	-	(0.04)	-	-	-	-	-	-	(0.04)	0.12	0.08
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 14)	-	-	50.02	-	-	-	-	-	-	-	-	50.02	-	50.02
Transfer to securities premium on account of exercise of stock options (refer note 14)	-	-	16.18	(16.18)	-	-	-	-	-	-	-	-	-	-
Share based payment charge net off stock option cancelled / forfeited during the year (refer note 14)	-	-	-	35.40	-	-	-	-	-	-	-	35.40	-	35.40
Shares application money received during the year	53.25	-	-	-	-	-	-	-	-	-	-	53.25	-	53.25
Shares allotted during the year	(50.84)	-	-	-	-	-	-	-	-	-	-	(50.84)	-	(50.84)
Buyback expenses (refer note 14)	-	-	-	-	-	-	-	(0.14)	-	-	-	(0.14)	-	(0.14)
Tax credit on exercise of options (refer note 14)	-	-	-	-	-	-	-	1.02	-	-	-	1.02	-	1.02
Amount transferred to SEZ Re-investment Reserve account (refer note 14)	-	-	-	-	-	48.27	-	(48.27)	-	-	-	-	-	-
Amount utilised during the year from SEZ Re-investment Reserve account (refer note 14)	-	-	-	-	-	(47.56)	-	47.56	-	-	-	-	-	-
Shares purchased by eClerx Employee Welfare Trust	-	-	-	-	-	-	-	-	-	-	(494.60)	(494.60)	-	(494.60)
As at March 31, 2019	4.41	24.98	181.00	207.16	1.07	0.71	0.11	13,323.44	661.49	149.72	(1,119.01)	13,435.08	5.85	13,440.93

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

For the year ended March 31, 2018

Particulars	Share Application money pending allotment	Reserves and Surplus: Capital redemption reserve	Securities premium account	Share based payment reserve	Statutory reserve	Capital reserve	Retained earnings	Items of OCI: Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non-controlling interest	Total (Rupees in Million)
As at April 1, 2017	2.38	12.08	131.31	147.94	0.96	0.11	10,673.87	384.56	508.85	(105.65)	11,756.41	4.46	11,760.87
Profit for the period	-	-	-	-	-	-	2,899.84	-	-	-	2,899.84	(0.42)	2,899.42
Other comprehensive income	-	-	-	-	-	-	3.05	299.19	(328.49)	-	(26.25)	-	(26.25)
Dividend and dividend tax paid (refer note 14)	-	-	-	-	-	-	(47.86)	-	-	-	(47.86)	-	(47.86)
Share based payment charge net off stock option cancelled / forfeited during the year	-	-	-	68.81	-	-	-	-	-	-	68.81	-	68.81
Statutory reserve as per local law in overseas subsidiary (refer note 14)	-	-	-	-	0.15	-	-	-	-	-	0.15	1.31	1.46
Transfer to securities premium on account of exercise of stock options (refer note 14)	-	-	28.81	(28.81)	-	-	-	-	-	-	-	-	-
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 14)	-	-	85.98	-	-	-	-	-	-	-	85.98	-	85.98
Shares application money received during the year	86.95	-	-	-	-	-	-	-	-	-	86.95	-	86.95
Shares allotted during the year	(87.33)	-	-	-	-	-	-	-	-	-	(87.33)	-	(87.33)
Amount transfer to on account of buyback of shares (refer note 14)	-	12.90	-	-	-	-	(12.90)	-	-	-	-	-	-
Amount utilised on account of buy back of shares (refer note 14)	-	-	(131.30)	-	-	-	(2,435.80)	-	-	-	(2,567.10)	-	(2,567.10)
Buyback expenses (refer note 14)	-	-	-	-	-	-	(23.31)	-	-	-	(23.31)	-	(23.31)
Tax credit on exercise of options (refer note 14)	-	-	-	-	-	-	38.52	-	-	-	38.52	-	38.52
Shares purchased by eClerx Employee Welfare Trust	-	-	-	-	-	-	-	-	-	(518.76)	(518.76)	-	(518.76)
As at March 31, 2018	2.00	24.98	114.80	187.94	1.11	0.11	11,095.41	683.75	180.36	(624.41)	11,666.05	5.35	11,671.40

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 23, 2019

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

1. Corporate information

eClerx Services Limited (the "Company" or the "Holding Company") and its subsidiaries (collectively referred to as the "Group") are engaged in providing critical business operations services to global Fortune 500 clients, including several of the world's leading companies across financial services, cable and telecommunications, retail, fashion, media & entertainment, manufacturing, travel and leisure, software and high-tech. The Group provides innovative business process management, change management, data-driven insights, advanced analytics powered by subject matter experts and smart automation. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. Information on the Group's structure is provided in note 30.

The consolidated financial statements for the year ended March 31, 2019 were authorised for issue in accordance with a resolution of the directors on May 23, 2019.

2.A. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Group's financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Share based payments

The consolidated financial statements are presented in "Rs." and all values are stated in Rs. million, except when otherwise indicated.

New and amended standards

Accounting policies have been consistently applied except where a newly – issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Group applied Ind AS 115 - Revenue from contracts with customers for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and entities which it controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

i) power over investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

ii) exposure, or rights, to variable returns from its involvement with the investee, and

iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) the contractual arrangement with the other vote holders of the investee

b) rights arising from other contractual arrangements

c) the Group's voting rights and potential voting rights

d) the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting right holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If the member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the consolidation are drawn up to same reporting date as that of the Parent Company i.e. March 31, 2019.

The consolidated financial statements have been prepared on the following basis:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

c. Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

d. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3. Summary of significant accounting policies

a. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Foreign currencies

The group's consolidated financial statements are presented in Indian Rupees ("Rs."), which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency balances:

Transactions in foreign currencies are initially recorded by the group's entities at their respective functional currency using spot rates at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into Rs. at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

Goodwill arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), is treated as assets of the entity rather than as assets of the foreign operation. Therefore, those assets are non- monetary items are already expressed in functional currency of the parent and no further translation differences occur.

Any goodwill arising in acquisition/business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

c. Fair value measurement

The Group measures financial instruments such as derivatives and certain investments, at fair value at each consolidated balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or,
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

d. Revenue recognition

Ind AS 115 "Revenue from Contracts with Customers"

Revenue recognition:

Effective April 1, 2018, the Group has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method. The standard is applied only to contracts that are not completed as at the date of initial application of the standard i.e. April 1, 2018 and the comparative information is not restated in the consolidated financial statements. The impact of the adoption of the standard on the consolidated financial statements of the Group is insignificant.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Arrangement with customers for services rendered by the Group are either on time and material or on fixed price basis. Revenue from contracts on time-and-material basis is recognised as the related services are performed. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and other variable considerations, if any, as specified in the contracts with the customers.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group presents revenue net of indirect taxes in its consolidated statement of profit and loss.

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Advance billing is shown as contract liabilities under other current financial liabilities. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed period.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortised over the benefit period.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

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

Government Grants

Government grants are recognised when there is reasonable assurance that grant will be received and all attached conditions will be complied with.

e. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment ("PPE") 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 property, plant and equipment are disclosed as capital advances under other non-current assets.

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the consolidated balance sheet date and are carried at cost, comprising of direct cost and directly attributable cost.

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

The Group provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down Value method other than assets of CLX Group which follows Straight - Line method.The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

Block of assets	Estimated useful life (in years)
Office equipment	5
Furniture and fixtures	10
Computers	3-6
Leasehold improvements	Lease term

The Group provides depreciation based on same useful life of assets for all subsidiaries other than following assets in CLX group:

Block of assets	Estimated useful life (in years)
Office equipment	3-10
Furniture and fixtures	3-15
Computers	
-End user devices	3
-Servers	6
Plant and machinery	4-12
Building	50
Vehicles	4
Leasehold improvements	Lease term

No depreciation is provided on freehold land.

In case of foreign subsidiaries, certain items of property, plant and equipment are depreciated over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 ("the Act"). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

Intangible assets are amortised on straight-line basis as follows:

Intangible assets	Estimated useful life (in years)
Computer softwares	1-5
Unpatented technology	7
Non-competition agreements	3
Customer relationships	9-15
Indemnification assets	3

Research and development expenses for software product

Research cost are expensed as incurred. Software product development cost are expensed as incurred unless technical feasibility of project is established, further economic benefit are probable, the Group has an intention and ability to complete and use or sell the software and the cost can be measure reliably. The cost which can be captialised include the cost of material, direct labor and overhead cost that are directly attributable to preparing the asset for its intended use.

h. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is, or contains a lease if, fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Group as lessee:

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the consolidated statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

i. Impairment of non-financial 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. An asset's recoverable amount is the higher of an asset's or cash - generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exists or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods (refer note 31).

j. Provisions and contingences

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes.

k. 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 Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no further obligations under these plans beyond its monthly contributions.

Defined benefit plan

Gratuity

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund with the insurance service provider. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding charge or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to consolidated statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs; and
- Net interest expense or income

Subsidiary in United States of America

The subsidiary of the Group, "eClerx LLC" 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 employees render the related services.

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 when employees render the related services.

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 when employees render the related services.

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 consolidated balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

l. Share - based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. 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 Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognises a financial asset or a liability in its consolidated balance sheet only when the entity becomes party to the contractual provisions of the instrument.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into three categories:

- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the consolidated statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss ("FVTPL") under the fair value option.

- Business model test: The objective of the group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method.

A financial asset is classified as at the Financial assets measured at Fair value through other comprehensive income ("FVTOCI") if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

A financial asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L.

FVTPL is a residual category for financial assets. Any instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses impairment based on expected credit losses ("ECL") model to the following:

- Financial assets measured at amortised cost; and
- Financial assets measured at FVTOCI;

Expected credit losses ("ECL") are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Group follows 'simplified approach' for recognition of impairment loss allowance.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The Group measures all financial liabilities at amortised cost using the Effective Interest Rate ("EIR") method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group enters into derivative contracts to hedge foreign currency/price risk on highly probable forecast transactions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are recorded in the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income ("OCI") and later reclassified to profit or loss when the hedge item affects profit or loss.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions. The ineffective portion relating to foreign currency contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs.

o. Treasury shares

The Group has created an Employee Benefit Trust ("EBT") for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

p. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

q. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity share holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution of interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders of the Company. A corresponding amount is recognised directly in equity.

r. Inventories

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

s. Earnings per share

The earnings considered in ascertaining the Group's earning per share comprise the net profit after tax. The number of shares used in computing basic earnings per share are the weighted average number of shares outstanding during the year. 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 shares, if any which would have been issued on the conversion of all dilutive potential equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. Share - based payments

The Group measures share-based payments and transactions at fair value and recognises over the vesting period using Black Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.The Group is applying forfeiture rate based on historical trend. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 33.

c. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the Group considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on rates given under Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for India.

Further details about gratuity obligations are given in note 32.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See notes 38 and 39 for further disclosures.

e. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 31.

Rupees in Million

	Computer hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Land	Building	Plant and Machinery	Vehicles	Total
3. Property, plant and equipment									
Cost									
As at April 1, 2017	**528.56**	**294.72**	**108.01**	**422.36**	**17.78**	**15.66**	**3.73**	**1.53**	**1,392.35**
Additions	170.18	22.97	20.16	72.06	-	0.48	1.55	0.78	288.18
Disposals	(36.10)	(8.87)	(3.26)	(19.75)	-	-	-	-	(67.98)
Translation exchange difference	14.36	1.25	0.90	1.65	1.85	1.71	0.53	0.03	22.28
As at March 31, 2018	**677.00**	**310.07**	**125.81**	**476.32**	**19.63**	**17.85**	**5.81**	**2.34**	**1,634.83**
Additions	160.07	241.17	26.84	81.15	-	0.31	0.84	1.26	511.64
Disposals	(17.15)	-	(1.48)	(8.12)	-	-	-	-	(26.75)
Translation exchange difference	2.56	0.63	0.45	2.97	0.90	0.54	(0.11)	(0.12)	7.82
As at March 31, 2019	**822.48**	**551.87**	**151.62**	**552.32**	**20.53**	**18.70**	**6.54**	**3.48**	**2,127.54**
Depreciation and impairment									
As at April 1, 2017	**303.09**	**99.67**	**36.50**	**248.28**	**-**	**1.62**	**2.03**	**0.41**	**691.60**
Depreciation charge for the year	146.04	70.02	20.81	99.69	-	0.95	0.87	0.31	338.69
Disposals	(35.56)	(8.87)	(2.83)	(18.38)	-	-	-	-	(65.64)
Translation exchange difference	11.15	1.72	0.75	1.50	-	0.32	0.38	0.08	15.90
As at March 31, 2018	**424.72**	**162.54**	**55.23**	**331.09**	**-**	**2.89**	**3.28**	**0.80**	**980.55**
Depreciation charge for the year	151.56	84.43	19.25	84.02	-	1.07	0.75	0.70	341.78
Disposals	(17.04)	-	(1.31)	(7.50)	-	-	-	-	(25.85)
Translation exchange difference	0.51	0.30	0.10	1.83	-	(0.13)	(0.13)	(0.05)	2.43
As at March 31, 2019	**559.75**	**247.27**	**73.27**	**409.44**	**-**	**3.83**	**3.90**	**1.45**	**1,298.91**
Net Book Value									
As at March 31, 2019	262.73	304.60	78.35	142.88	20.53	14.87	2.64	2.03	828.63
As at March 31, 2018	252.28	147.53	70.58	145.23	19.63	14.96	2.53	1.54	654.28

Capital Work in Progress

	As at March 31, 2019	As at March 31, 2018
	Rupees in Million	Rupees in Million
Leasehold improvements	1.65	0.90
	1.65	**0.90**

Rupees in Million

	Goodwill on consolidation	Other intangible assets					Total
		Computer software	Unpatented technology	Non-competition agreements	Indemnification asset	Customer relationship	
4. Intangible assets							
Cost							
As at April 1, 2017	2,000.99	182.23	94.90	41.42	16.38	506.43	2,842.35
Additions	44.50	29.58	29.13	-	-	24.25	127.46
Disposals	-	(0.81)	-	-	-	-	(0.81)
Translation exchange difference	174.65	0.10	14.83	6.50	2.57	79.51	278.16
As at March 31, 2018	2,220.14	211.10	138.86	47.92	18.95	610.19	3,247.16
Additions	-	10.15	13.99	-	-	-	24.14
Disposals	-	(12.16)	-	-	-	-	(12.16)
Translation exchange difference	(37.87)	2.45	(4.39)	(1.50)	(0.60)	(16.99)	(58.90)
As at March 31, 2019	2,182.27	211.54	148.46	46.42	18.35	593.20	3,200.24
Amortisation and impairment							
As at April 1, 2017	-	129.11	60.26	26.86	10.62	65.67	292.52
Amortisation charge for the year	-	47.73	37.01	15.01	5.94	38.05	143.74
Disposals	-	(0.81)	-	-	-	-	(0.81)
Translation exchange difference	-	0.24	11.59	5.18	2.05	12.67	31.73
As at March 31, 2018	-	176.27	108.86	47.05	18.61	116.39	467.18
Amortisation charge for the year	-	29.43	32.23	0.88	0.34	42.26	105.14
Disposals	-	(12.16)	-	-	-	-	(12.16)
Translation exchange difference	-	1.50	(4.70)	(1.51)	(0.60)	(5.12)	(10.43)
As at March 31, 2019	-	195.04	136.39	46.42	18.35	153.53	549.73
Net Book Value							
As at March 31, 2019	2,182.27	16.50	12.07	-	-	439.67	2,650.51
As at March 31, 2018	2,220.14	34.83	30.00	0.87	0.34	493.80	2,779.98

	At March 31, 2019 Rupees in Million	At March 31, 2018 Rupees in Million
Goodwill	2,182.27	2,220.14
Other intangible assets	468.24	559.84
Total	2,650.51	2,779.98

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
5.	Inventories		
	Raw materials	3.59	4.38
		3.59	**4.38**
	Financial assets		
6.	Investments		
	Non current investments (Unquoted, carried at fair value through profit and loss)		
	8,000 equity shares (March 31, 2018: 8,000 equity shares) of Re. 1 each fully paid up in Talentick Edusolutions Private Limited	2.40	2.40
	Total Non- current investments	**2.40**	**2.40**
	Current investments (Quoted, carried at fair value through profit and loss)		
	Investments in mutual funds	2,860.24	1,650.32
		2,860.24	**1,650.32**
	Aggregate value of unquoted investments	2.40	2.40
	Aggregate book value of quoted investments	2,860.24	1,650.32
	Aggregate market value of quoted investments	2,860.24	1,650.32
	Investments at fair value through profit or loss (fully paid) reflect investments in mutual funds and investment in Talentick Edusolutions Private Limited. For determination of fair values, refer note 38.		
7.	Derivative instruments		
	Derivative instruments at fair value through OCI		
	Cash flow hedges	-	-
	Foreign exchange forward contracts	207.33	249.24
	Total derivative instruments at fair value through OCI	**207.33**	**249.24**
	Current	112.93	241.85
	Non-current	94.40	7.39
		207.33	**249.24**

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars ("USD").

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
8.	Trade receivables		
	Trade receivables	2,425.89	2,328.47
		2,425.89	**2,328.47**
	Considered good - Secured	-	-
	Considered good - Unsecured	2,425.89	2,328.47
	Trade receivables which have significant increase in credit risk	-	-
	Trade receivables - credit impaired	7.98	9.22
		2,433.87	2,337.69
	Less: Loss allowance	(7.98)	(9.22)
		2,425.89	**2,328.47**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

9.a.	Cash and cash equivalents		
	Cash on hand	0.44	0.43
	Balances with banks		
	In current accounts	1,254.89	1,585.64
	Deposits with original maturity of less than three months	-	400.00
	Earmarked bank balance towards dividend	0.90	1.14
	Earmarked bank balance towards fractional share payout	0.01	0.01
	Earmarked bank balance towards buyback	-	43.07
		1,256.24	**2,030.29**
9.b.	Other bank balances		
	Deposits with original maturity of more than three months but less than twelve months	2,297.64	940.82
	Deposit with original maturity of more than twelve months	820.00	1,349.00
	Deposits pledged with banks against bank guarantees	0.91	1.38
	Interest receivable	134.42	75.32
	Earmarked bank balances with bank	6.25	5.86
		3,259.22	**2,372.38**
		4,515.46	**4,402.67**

Cash at banks earns interest at floating rates based on the daily bank deposit rates and the daily balances. Time deposits are placed for varying periods ranging from 159 days to 402 days, depending on the immediate cash requirements of the Group. The time deposits earn interest at the respective deposit rates.

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
10. Other financial assets		
Non-current		
Corporate premises rent deposits	142.09	128.09
Other deposits	16.72	16.64
Deposit with original maturity of more than twelve months	30.00	-
Deposits pledged with banks against bank guarantees	6.47	-
Staff accomodation rent deposits	-	0.17
	195.28	**144.90**

Time deposits are placed for varying periods ranging from 732 days to 2,193 days, depending on the immediate cash requirements of the Group. The time deposits earn interest at the respective deposit rates.

Current		
Unbilled receivables	994.06	1,139.56
Staff accommodation rent deposits	1.41	0.45
Recoverable expenses from client	9.86	0.58
Other advances	104.45	96.22
Other deposits	-	0.51
	1,109.78	**1,237.32**
	1,305.06	**1,382.22**
Break up of financial assets carried at amortised cost		
Trade receivables (refer note 8)	2,425.89	2,328.47
Cash and cash equivalents and other bank balances (refer note 9.a. and note 9.b.)	4,515.46	4,402.67
Other financial assets (refer note 10)	1,305.06	1,382.22
Total financial assets carried at amortised cost	**8,246.41**	**8,113.36**
11. Other non-current assets		
Capital advances	4.17	1.33
Goods & Service Tax ("GST") credits	230.91	73.93
Service tax and other tax credits	30.39	74.75
	265.47	**150.01**
12. Other current assets		
Prepaid expense	175.36	147.88
Service tax and other tax credits	50.10	146.92
Service Exports from India Scheme Licence ("SEIS") receivables	379.39	204.81
Other advances	5.16	-
	610.01	**499.61**

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
13. Share capital		
Authorised share capital		
Authorised share capital		
50,010,000 (March 31, 2018: 50,010,000) shares of Rs. 10 each	500.10	500.10
Issued, subscribed and fully paid up		
37,790,235 (March 31, 2018: 38,141,422) shares of Rs. 10 each fully paid up	377.90	381.41

(a) 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.

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

The Company has issued 10,180,609 shares by way of bonus issue by capitalising securities premium during the period of five years immediately preceeding the balance sheet date.

(c) Aggregate number of equity shares bought back during the period of five years immediately preceding the reporting date:

During the previous year ended March 31, 2018, the Company bought back 1,290,000 shares. During the period of 5 years immediately preceding the balance sheet date the Company bought back 1,170,000 shares in FY 2016-17 and 37,623 shares in FY 2013-14.

(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Anjan Malik	9,759,430	25.21%	9,689,920	25.08%
Priyadarshan Mundhra	9,763,430	25.22%	9,684,379	25.07%
Matthews India Fund	2,080,797	5.38%	2,661,931	6.89%

(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 33.

	Rupees in Million
14. Other equity	
Securities premium account	
As at April 1, 2017	131.31
Add: Premium on issue of share alloted pursuant to exercise of options	85.98
Add: Transferred from share based payment reserve on exercise of options	28.81
Less: Amount adjusted on account of buyback of shares	(131.30)

	Rupees in Million
As at March 31, 2018	**114.80**
Add: Transferred from share based payment reserve on exercise of options	16.18
Add: Premium on issue of share alloted pursuant to exercise of options	50.02
As at March 31, 2019	**181.00**
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, buy back of equity shares, etc. in accordance with the provisions of the Companies Act, 2013.	
Share based payment reserve	
As at April 1, 2017	**147.94**
Add: Charge for the year	71.40
Less: Reversed on stock options cancelled / forfeiture during the year	(2.59)
Less: Transfer to securities premium account on exercise of options	(28.81)
As at March 31, 2018	**187.94**
Add: Charge for the year	35.40
Less: Transfer to securities premium on exercise of stock options	(16.18)
As at March 31, 2019	**207.16**
The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.	
Hedging reserve	
As at April 1, 2017	**508.85**
Less: Net movement on cash flow hedges	(393.03)
Add: Deferred tax on net movement on cash flow hedges	64.54
As at March 31, 2018	**180.36**
Less: Net movement on cash flow hedges	(41.91)
Add: Deferred tax on net movement on cash flow hedges	11.27
As at March 31, 2019	**149.72**
The Group uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Group uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.	
Capital reserve	
As at April 1, 2017	**0.11**
As at March 31, 2018	**0.11**
As at March 31, 2019	**0.11**
The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.	
Capital redemption reserve	
As at April 1, 2017	**12.08**
Add: Amount transferred from retained earnings on account of buyback of shares	12.90
As at March 31, 2018	**24.98**
Add: Amount transferred from retained earnings on account of buyback of shares	-
As at March 31, 2019	**24.98**

As per Companies Act, 2013, capital redemption reserve is created when Group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

	Rupees in Million
SEZ Re-investment Reserve Account	
As at April 1, 2018	**-**
Add: Transferred from retained earnings	48.27
Less: Amount Utilised during the year	(47.56)
As at March 31, 2019	**0.71**

The Special Economic Zone (SEZ) re-investment reserve has been created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve will be utilised by the Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

Statutory reserve	
As at April 1, 2017	**0.96**
Add: Movement during the year	0.15
As at March 31, 2018	**1.11**
Add: Movement during the year	(0.04)
As at March 31, 2019	**1.07**

Reserves created by the Group to meet the requirements of the statutes in overseas subsidiary.

Foreign currency translation reserve	
As at April 1, 2017	**384.56**
Less: Movement during the year	299.19
As at March 31, 2018	**683.75**
Add: Movement during the year	(22.26)
As at March 31, 2019	**661.49**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earnings	
As at April 1, 2017	**10,673.87**
Add: Profit during the year	2,899.84
Add: Remeasurement gains on defined benefit plans	3.05
Less: Amount adjusted on account of buyback of shares	(2,435.80)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(12.90)
Less: Share buyback expenses	(23.31)
Less: Dividend and dividend tax paid	(47.86)
Add: Tax credit on stock option exercise	38.52
As at March 31, 2018	**11,095.41**
Add: Profit during the year	2,282.63
Less: Remeasurement losses on defined benefit plan	(8.33)
Less: Buyback Expenses	(0.14)
Less: Amount transferred to SEZ Re-investment Reserve account	(48.27)
Add: SEZ Re-investment Reserve Account utilised during the year	47.56
Less: Dividend and dividend tax paid	(45.94)
Add: Tax credit on stock option exercise	1.02
As at March 31, 2019	**13,323.44**

Retained earnings represent the amount of accumulated earnings of the Group.

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Other reserves		
Securities premium	181.00	114.80
Share based payment reserves	207.16	187.94
Hedging reserve	149.72	180.36
Capital reserve	0.11	0.11
Capital redemption reserve	24.98	24.98
Statutory reserve	1.07	1.11
Foreign currency translation reserve	661.49	683.75
Sez Reinvestment Reserve	0.71	-
Retained earnings	13,323.44	11,095.41
	14,549.68	**12,288.46**

	Rupees in Million
Share application money pending allotment	
As at March 31, 2018	**2.00**
As at March 31, 2019	**4.41**
Treasury Shares	
As at March 31, 2018	**(624.41)**
As at March 31, 2019	**(1,119.01)**

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Dividend distribution and proposed		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2018: Re. 1 per share (March 31, 2017: Re.1 per share)	37.99	39.74
Dividend distribution tax on final dividend	7.95	8.12
	45.94	**47.86**
Proposed dividends on equity shares:		
Cash dividend for the year ended on March 31, 2019: Re.1 per share (March 31, 2018: Re. 1 per share)	36.07	38.63
Dividend distribution tax on proposed dividend	7.60	7.86
	43.67	**46.49**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2019.

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
15. Employee benefit obligations		
Non-current		
Gratuity (refer note 32)	205.92	174.35
Other employee benefits	112.67	118.36
Incentive to employees	87.30	43.60
	405.89	**336.31**
Current		
Gratuity (refer note 32)	41.00	41.00
Compensated absences	222.21	217.13
Incentive to employees	439.92	527.37
	703.13	**785.50**
16. Other non-current liabilities		
Lease equalisation reserve	127.88	135.36
	127.88	**135.36**
17. Borrowings		
Unsecured:*		
Current borrowings	8.63	57.42
Non current borrowings	8.11	6.02
	16.74	**63.44**
* This refers to unsecured working capital loan carrying interest rate of 0.77% to 2.75% p.a. taken by subsidiary in Italy.		
18. Trade payables		
18.a. Dues of Micro enterprises and small enterprises		
Amount due to vendor	3.37	4.22
18.b. Dues of creditors other than Micro enterprises and small enterprises		
Trade payables	112.69	200.48

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- For explanations on the Group's credit risk management processes, refer to note 40.
- Trade payables are measured at amortised cost.

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
19. Other financial liabilities		
Unpaid dividend	0.90	1.14
Unpaid fractional share payout	0.01	0.01
Contract liabilities	105.79	76.99
Accrued expense	308.35	296.64
Payables for capital expenditure	28.00	8.99
	443.04	**383.77**
Break up of financial liabilities at amortised cost		
Borrowings (refer note 17)	16.74	63.44
Trade payables (refer note 18.a. and 18.b.)	116.06	204.70
Other financial liabilities (refer note 19)	443.04	383.77
	575.84	**651.91**
20. Other current liabilities		
Statutory dues and other liabilities	147.19	114.55
Other payables	3.90	13.52
Lease equalisation reserve	10.89	7.71
	161.98	**135.78**

		As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
21.	Income taxes		
	The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:		
	Consolidated statement of profit and loss:		
	Profit or loss section		
	Current income tax:		
	Pertaining to current year	928.36	1,016.37
	Adjustments in respect of current income tax of previous year	(16.75)	(23.80)
	Deferred tax		
	Relating to origination and reversal of temporary differences	(79.88)	(96.77)
	Income tax expense reported in the statement of profit or loss	**831.73**	**895.80**
	OCI section		
	Deferred tax related to items recognised in OCI during in the year ended:		
	Net movement on cash flow hedges	11.27	64.54
	Net movement on remeasurement losses / (gains) on defined benefit plans	3.50	(1.18)
	Income tax credited/ (charged) to OCI	**14.77**	**63.36**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:		
	Accounting profit before income tax	3,114.74	3,795.22
	At Groups statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	1,088.41	1,313.45
	Tax effect of income not chargeable to tax	(241.77)	(413.85)
	Adjustments in respect of current income tax of previous year	(16.75)	(23.80)
	Effect of different tax rates in subsidiaries	(19.03)	(5.27)
	Non-deductible expenses / (income) for tax purposes	20.87	(32.88)
	Income tax expense reported in the statement of profit and loss	**831.73**	**895.80**
	At the effective income tax rate of 26.70% (March 31, 2018: 23.60%)		

	Balance Sheet		Profit & Loss	
	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Deferred tax:				
Deferred tax relates to the following:				
Accelerated depreciation for tax purposes	(19.05)	(66.62)	(47.57)	(43.67)
Share based payments	24.32	18.17	(6.15)	(40.77)
Gratuity	67.81	53.22	(14.59)	(19.11)
Expenses available for offsetting against future taxable income	52.83	34.28	(18.55)	29.03
Deferred tax on revaluation of cash flow hedges	(57.60)	(68.88)	-	-
Deferred tax on net movement on remeasurement gains / (losses) on defined benefit plans	2.32	(1.18)	-	-
Exchange Difference	-	-	6.98	(22.25)
Deferred tax expense / (income)			**(79.88)**	**(96.77)**
Net deferred tax assets / (liabilities)	**70.63**	**(31.01)**		

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Reflected in the balance sheet as follows:		
Deferred tax assets	202.72	121.25
Deferred tax liabilities	132.09	152.26
Deferred tax assets, net	**70.63**	**(31.01)**
Reconciliation of deferred tax assets / (liabilities) (net):		
Opening balance	**(31.01)**	**(168.89)**
Tax income / (expense) during the period recognised in profit or loss	79.88	96.77
Tax income / (expense) during the period recognised in OCI	14.77	63.36
Exchange difference	6.98	(22.25)
Closing balance	**70.63**	**(31.01)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019 and March 31, 2018, the parent Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

22. Revenue from operations

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Sale of services	13,980.31	13,543.45
Other operating revenue (refer note 22(a))	325.62	107.17
	14,305.93	**13,650.62**

Revenues consist of the following:

Partiulars	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Revenue from ITeS services	13,449.19	13,111.20
Revenue from software development, licensing of software products & related services	531.12	432.25
Total revenue from operations	**13,980.31**	**13,543.45**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Partiulars	For the year ended March 31, 2019 Rupees in Million
Revenues by Geography	
United States of America	9,093.55
United Kingdom	737.06
Europe	3,307.62
Asia Pacific	842.08
Total	**13,980.31**
Revenues by contract type	
Time & Materials	11,975.19
Fixed Price	2,005.12
Total	**13,980.31**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Partiulars	For the year ended March 31, 2019 Rupees in Million
Revenue as per contracted price	14,105.22
Reductions towards variable consideration components*	(124.91)
Revenue from contract with customers	**13,980.31**

*The reduction towards variable component comprises of volume discounts.

During the year ended March 31, 2019 , the Group recognised revenue of Rs. 76.99 million arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, there is no revene recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at March 31, 2019, the Group does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts:

a) where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and;

b) where the performance obligation is part of a contract that has an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is Rs. 666.03 million. Out of this, the Group expects to recognise revenue of around 45.66% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

22.(a) As per Service Exports from India Scheme ("SEIS") w.e.f. 01.04.2015 under the Foreign Trade Policy (FTP), 2015-20, the Company is eligible to get the duty credit scrips against export of services under defined category. The said income is accounted as other operating revenue.

23. Other income

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Interest income on fixed deposits	244.81	130.24
Interest income on corporate rent deposits	12.54	12.41
Dividend	97.48	149.79
Gain on foreign exchange fluctuation (net)	99.74	59.75
Profit on sale of fixed asset	0.22	-
Profit on sale of current investments	14.49	0.81
Miscellaneous income	1.20	41.82
Government Grant ("PMRPY") (refer Note 23(a))	15.44	7.49
	485.92	**402.31**

23.(a) The Company has received reimbursement of employers' contribution to Provident Fund under the Pradhan Mantri Rojgar Protsahan Yojna ("PMRPY") for new employment created. The Company has accounted the same under Other income.

24. Employee benefits expense

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Salaries, wages and bonus	7,412.66	6,475.58
Employee stock compensation	35.40	68.61
Contribution to provident and other funds	328.46	272.28
Gratuity expense (refer note 32)	54.23	70.91
Staff welfare expense	38.19	37.18
	7,868.94	**6,924.56**

25. Depreciation and amortisation expense

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Depreciation of tangible assets (refer note 3)	341.78	338.69
Amortisation of intangible assets (refer note 4)	105.14	143.73
	446.92	**482.42**

26. Finance costs

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Interest on loans	0.39	0.40
	0.39	0.40

27. Other expense

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Cost of raw materials, consumables, spare parts and other goods	17.99	19.20
Repairs and maintenance		
Building	11.79	11.15
Others	33.22	26.08
Office base rentals	627.31	538.51
Rates and taxes	36.60	16.06
Office expenses	69.36	69.10
Housekeeping services	45.36	39.37
Security charges	57.78	53.78
Other insurance	19.97	16.59
Subscription & membership fees	54.34	41.67
Electricity	106.43	93.73

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Computer and electrical consumables	225.26	210.92
Printing and stationery	9.46	10.25
Communication expense	191.16	180.38
Bad debts written off	5.23	12.86
Business promotion	57.12	51.29
Bank charges	12.35	11.32
Directors' sitting fees	1.80	0.76
Legal and professional charges	284.65	237.46
Loss on sale of fixed assets / assets disposed off (net)	-	0.58
Corporate Social Responsibility ("CSR") expenditure (refer details below)	74.09	67.70
Local conveyance	89.41	70.05
Travelling expense	554.79	525.60
Freight, transportation, port charges etc	22.65	25.37
Miscellaneous expense	16.13	16.83
Trust management fees	3.46	1.86
Fair value loss on financial instruments at fair value through profit or loss	15.83	3.99
Provision for doubtful debts	3.20	9.22
	2,646.74	**2,361.68**

Research and development expenditure:

In-house research and development centre ("R&D") of the Group is located in Mumbai. The aggregate expenditure on research and development activities in the in-house R&D centre is a follows:

	For the year ended March 31, 2019 Rupees in Million	For the year ended March 31, 2018 Rupees in Million
Revenue expenditure	119.05	85.01
Capital expenditure	-	1.36

Details of CSR expenditure:

Gross amount required to be spent by the Group during the year: Rs.77.20 (March 31, 2018: Rs. 71.11) million

For the year ended March 31, 2019 — Rupees in Million

		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than above	74.09	-	74.09

For the year ended March 31, 2018 — Rupees in Million

		In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than above	67.70	-	67.70

28. Components of Other Comprehensive Income ("OCI") and exceptional items

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2019:

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
Net movement on cash flow hedges	(41.91)	-	(41.91)
Income tax effect on net movement on cash flow hedges	11.27	-	11.27
Remeasurement gain / (losses) on defined benefit plans	-	(12.33)	(12.33)
Income tax effect on remeasurement gain / (loss) on defined benefit plans	-	3.50	3.50
Exchange differences on translation of foreign operations	(22.26)	-	(22.26)
	(52.90)	**(8.83)**	**(61.73)**

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
During the year ended March 31, 2018:			
Net movement on cash flow hedges	(393.03)	-	(393.03)
Income tax effect on net movement on cash flow hedges	64.54	-	64.54
Remeasurement gains / (losses) on defined benefit plans	-	4.23	4.23
Income tax effect on remeasurement gains / (losses) on defined benefit plans	-	(1.18)	(1.18)
Exchange differences on translation of foreign operations	299.19	-	299.19
	(29.30)	**3.05**	**(26.25)**

Exceptional items - gain / (loss)

	March 31, 2019	March 31, 2018
	Rupees in Million	Rupees in Million
Net SEIS income	-	212.59

During the previous year ended March 31, 2018, the Group recognised net SEIS income of Rs. 121.85 million for financial year 2015-16 (on realisation basis) and Rs. 90.74 million for financial year 2016-17 (on estimation basis). The total net SEIS income for financial year 2015-16 and 2016-17 of Rs. 212.59 million was disclosed as exceptional item.

29. Earnings per share ("EPS")

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders of the Holding Company 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 equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which would be issued on the conversion of all dilutive potential equity shares into equity shares, unless the results would be antidilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

	As at March 31, 2019 Rupees in Million	As at March 31, 2018 Rupees in Million
Profit attributable to equity holders of the Group:		
Continuing operations	2,282.63	2,899.84
Weighted average number of equity shares	37,997,667	39,601,034
Dilutive impact of employee stock options	57,837	184,815
Weighted average number of equity shares adjusted for the effect of dilution *	38,055,504	39,785,849
Earnings per equity share (in Rs.)		
Basic	60.07	73.23
Diluted	59.98	72.89

Note: *The weighted average number of shares takes into account the weighted average effects of changes in treasury share transaction during the year.

30. Group Information

Consolidated financial statements of the Group included subsidiaries listed in the table below :

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power	
			March 31, 2019	March 31, 2018
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 (UK) Limited	United Kingdom	100%	100%
5	CLX Europe S.P.A	Italy	100% subsidiary of eClerx Investments (UK) Limited	100% subsidiary of eClerx Investments (UK) Limited
6	Sintetik S.R.L.#	Italy	100% subsidiary of CLX Europe S.P.A	100% subsidiary of CLX Europe S.P.A
7	CLX Europe Media Solution GmbH	Germany	100% subsidiary of CLX Europe S.P.A	100% subsidiary of CLX Europe S.P.A
8	CLX Europe Media Solution Limited	United Kingdom	100% subsidiary of CLX Europe Media Solution GmbH	100% subsidiary of CLX Europe Media Solution GmbH
9	CLX Thai Company Limited	Thailand	49% holding by CLX Europe S.P.A*	49% holding by CLX Europe S.P.A*
10	eClerx Employee Welfare Trust	India	Entity under control of the Company	Entity under control of the Company
11	eClerx Canada Limited	Canada	100% subsidiary of eClerx Investments (UK) Limited	100% subsidiary of eClerx Investments (UK) Limited

* This is subsidiary for the purpose of consolidation as per Ind AS 110 "Consolidated Financial Statements".

Merged with CLX Europe S.P.A w.e.f. December 31, 2018. The merger was a common control transaction wherein the assets and liabilities are reflected at carrying amounts. The merger did not involve any exchange of shares or cash.

31. Impairment testing of goodwill

Goodwill acquired through business combinations pertain to Customer Operations ("CO") cash generating unit ("CGU"), CLX Europe s.p.a. CGU and Twofour CGU. eClerx LLC, a wholly owned subsidiary of the Company has acquired business of Twofour consulting group for Rs. 68.75 million on September 29, 2017 resulting in goodwill of Rs. 44.50 million. The Group evaluates goodwill for impairment annually.The Group performs its annual impairment test for year ended March 31, 2019 and March 31, 2018 on respective balance sheet date. The recoverable amount of above CGU exceeded its carrying amount. Following is the break-up of carrying amount of goodwill :

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Customer Operations CGU	888.59	888.59
CLX Europe CGU	1,246.35	1,287.05
Two Four Consulting CGU	47.33	44.50
	2,182.27	**2,220.14**

Customer Operations CGU

The recoverable amount of the Customer operations CGU as on March 31, 2019 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five year period. The projected cashflows have been updated to reflect the expected demand for these services. The growth rate used to extrapolate the cash flows of the CGU for the five-year period is 5% (March 31, 2018 : 11%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (March 31, 2018: 2%). This growth rate is in line with the industry average growth rate. The discount rate applied to cash flow projections for impairment testing during the current year is 30.61% (March 31, 2018 : 32.17%). As a result of the analysis, the management did not identify any impairment for this CGU.

CLX Europe CGU

The recoverable amount of CLX Europe CGU as on March 31, 2019 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a three year period. The projected cash flows have been updated to reflect the expected demand for these services.The growth rate used to extrapolate the cash flows of the CGU for the three year period is 7% (March 31, 2018 : 5%). The growth rate used to extrapolate the cash flows of the unit beyond the three-year period is 1% (March 31, 2018: 1%). This growth rate is in line with the industry average growth rate.The discount rate applied to cash flow projections for impairment testing during the current year is 8.38% (March 31, 2018 : 6.9 - 8.1%). As a result of the analysis, the management did not identify any impairment for this CGU.

TwoFour Consulting Goodwill

The recoverable amount of TwoFour Consulting as on March 31, 2019 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five year period. The projected cash flows have been updated to reflect the expected demand for these services.The growth rate used to extrapolate the cash flows of the Company for the five year period is 3% (March 31, 2018 : 5%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (March 31, 2018 : 2%). This growth rate is in line with the industry average growth rate.The discount rate applied to cash flow projections for impairment testing during the current year is in the range of 16.54% (March 31, 2018 : 17.20%). As a result of the analysis, the management did not identify any impairment for the Company.

Key assumptions used for value in use calculations

The calulation of value in use for CGUs are most sensitive to following assumptions:

Growth rate estimates: These are based on growth budgeted as per business plan. The management factors industry and segment growth rate including global business and economic uncertainities.

Margins & Costs: These are based on average margins achieved historically and adjusted for anticipated effciencies and planned expansions.

Discount Rates: They represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account equity and debt where the CGU has a borrowing. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest borrowings the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect the pre-tax discount rate.

32. Gratuity benefit plans

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, the employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity scheme is managed by a trust which regularly contributes to insurance service provider which manages the funds of the trust. The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations. The Company recognises actuarial gains and losses immediately in other comprehensive income, net of taxes.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet:

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Current service cost	37.95	34.25
Past service cost	-	23.30
Interest cost on benefit obligation	17.06	13.67
Return on plan assets (excluding amounts included in net interest expense)	(0.78)	(0.31)
	54.23	**70.91**

	Defined benefit obligation Rupees in Million	Fair value of plan assets Rupees in Million	TOTAL Rupees in Million
Employee benefit liability as at April 1, 2017	**192.00**	**4.43**	**187.57**
Gratuity cost charged to statement of profit and loss			
Service cost	34.25	-	34.25
Past service cost	23.30	-	23.30
Net interest expense	13.67	-	13.67
Return on plan assets (excluding amounts included in net interest expense)	-	0.31	(0.31)
Sub-total included in statement of profit and loss	**71.22**	**0.31**	**70.91**
Benefits paid			
from fund	(33.49)	(33.49)	-
paid by employer	-	-	-
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	(16.29)	-	(16.29)
Experience adjustments	12.06	-	12.06
Sub-total of remeasurement losses / (gains) included in OCI	**(4.23)**	**-**	**(4.23)**
Contributions by employer	-	38.90	(38.90)
Employee benefit liability as at March 31, 2018	**225.50**	**10.15**	**215.35**

	Defined benefit obligation	Fair value of plan assets	TOTAL
	Rupees in Million	Rupees in Million	Rupees in Million
Employee benefit liability as on April 1, 2018	**225.50**	**10.15**	**215.35**
Gratuity cost charged to statement of profit and loss			
Service cost	37.95	-	37.95
Past service cost	-	-	-
Net interest expense	17.06	-	17.06
Return on plan assets (excluding amounts included in net interest expense)	-	0.78	(0.78)
Sub-total included in statement of profit and loss	**55.01**	**0.78**	**54.23**
Benefits paid			
from fund	(34.72)	(34.72)	-
paid by employer	-	-	-
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	3.73	-	3.73
Experience adjustments	8.60	-	8.60
Sub-total of remeasurement losses / (gains) included in OCI	**12.33**	**-**	**12.33**
Contributions by employer	-	34.99	(34.99)
Benefit liability as on March 31, 2019	**258.12**	**11.20**	**246.92**

The principal assumptions used in determining gratuity obligations of the Company are shown below:

	March 31, 2019	March 31, 2018
	%	%
Discount rate:		
India gratuity plan	7.47	7.56
Future salary increases:		
India gratuity plan	7.00	7.00
Assumption:		
Expected return on plan assets	7.47	7.56
Employee turnover:		
a. For service 4 years and below (p.a.)	30.00	30.00
b. For service 5 years and above (p.a.)	2.00	2.00

Mortality rate during employment is based on report of Indian Assured Lives Mortality (2006-08).

A quantitative sensitivity analysis for significant assumption is as shown below:

India gratuity plan:

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Effect of +1% Change in discount rate	(35.47)	(31.87)
Effect of -1% Change in discount rate	43.40	39.22
Effect of +1% Change in future salary increases	37.24	34.04
Effect of -1% Change in future salary increases	(31.95)	(29.08)
Effect of +1% Change in employee turnover	3.13	2.80
Effect of -1% Change in employee turnover	(3.73)	(3.38)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Within the next 12 months (next annual reporting period)	8.41	6.97
Between 2 and 5 years	28.41	24.79
Between 5 and 10 years	50.63	43.49
Total expected payments	**87.45**	**75.25**

The average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (31 March 2018: 18 years).

33. Share-based payments

Employee Stock Option Plan

Under the employee stock option plan, the Company, grants options to senior executive employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Commitee. Vesting period is three years from the date of grant. Further, vesting of certain portion of the stock options is dependent on the Compounded Annual Growth Rate of the organic operating revenues of the Company.The fair value of the stock options is estimated at the grant date using a Black and Scholes model, taking into account the terms and conditions upon which the share options were granted. The contractual term of each option granted is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement of these options.

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Expense arising from equity-settled share-based payment transactions	35.40	68.61
	35.40	**68.61**

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 ended March 31, 2016, the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 Scheme, however active options thereunder would continue to vest as per the respective terms.

Movements during the year:

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year under ESOP 2008 scheme

	March 31, 2018 No. of options	March 31, 2018 WAEP
Outstanding at the beginning of the year	16,401	517.70
Forfeited during the year	6,535	517.70
Exercised during the year	9,866	517.70
Outstanding at the end of the year	**-**	**517.70**
Exercisable at the end of the year	-	

The weighted average share price at the date of exercise of these option was Rs. 1,376 per share during the FY 2017-18.

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.

Movements during the year:

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year under ESOP 2011 scheme

	March 31, 2019 No. of options	March 31, 2019 WAEP	March 31, 2018 No. of options	March 31, 2018 WAEP
Outstanding at the beginning of the year	746,807	1,006.10	1,281,074	978.19
Forfeited during the year	383,368	1,167.45	409,222	1,097.16
Exercised during the year	82,013	619.86	125,045	657.59
Outstanding at the end of the year	**281,426**	**1,076.21**	**746,807**	**1,006.10**
Exercisable at the end of the year	281,426		219,317	

The weighted average share price at the date of exercise of these options was Rs. 1,186 per share. (March 31, 2018: Rs. 1,319)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 1.87 years (March 31, 2018: 2.92 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 463.91 to Rs. 1,196.25 (March 31, 2018: Rs. 463.91 to Rs. 1,196.25).

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

ESOP 2015 scheme:

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'), the Company had framed and instituted Employee Stock Option Plan 2015 ("ESOP 2015") to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

ESOP 2015 envisages an ESOP trust which is authorised for secondary acquisition and accordingly during the year under review the ESOP Trust has bought 433,200 shares (in financial year 2017-18: 412,547 shares) from open market.

Movements during the year:

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under ESOP 2015 scheme

	March 31, 2019 No. of options	March 31, 2019 WAEP	March 31, 2018 No. of options	March 31, 2018 WAEP
Outstanding at the beginning of the year	633,405	1,327.87	299,208	1,379.15
Granted during the year	383,720	1,320.95	382,663	1,294.00
Forfeited during the year	149,780	1,330.38	48,466	1,348.34
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**867,345**	**1,327.84**	**633,405**	**1,327.87**
Exercisable at the end of the year	-		-	

These options are not yet vested as of March 31, 2019.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2019 was 4.73 years. (March 31, 2018: 5.07 years)

The range of exercise prices for options outstanding at the end of the year was Rs.1,294 to Rs.1,379.15 (March 31, 2018: Rs.1,294 to Rs.1,379.15).

The weighted average fair value of options granted during the year was Rs. 292.03 (March 31, 2018: Rs 455.97).

The average vesting period is 3 years and exercise period is 3 years.

The following tables list the inputs to the models used for fair valuation of the options :

	For the year ended March 31,2019	For the year ended March 31,2018
Date of grant	May 23, 2018	May 30, 2017
Dividend yield (%)	5.13	0.08
Expected volatility (%)	28.96	32.03
Risk–free interest rate (%)	7.84	6.74
Expected life of share options (years)	4.01	3.85
Model used	Black and Scholes	Black and Scholes
Stock price (Rs.)	1,320.95	1,294.00
Exercise Price (Rs.)	1,320.95	1,294.00

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

34. Commitments and contingencies

		March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
a.	Leases		
	Operating lease commitments — Group as lessee		
	The Group has entered into operating leases for office facilities and residential premises for employees, with lease terms that are renewable on a yearly basis, cancellable at its option and other long term leases. The Group has the option, under some of its leases, to renew the lease the assets for additional terms.		
	Lease payments recognised in the statement of profit and loss	627.31	538.51
	Future minimum lease payments for non-cancellable operating leases		
	Within one year	182.92	116.76
	After one year but not more than five years	685.05	190.22
		867.97	**306.98**
b.	Commitments		
	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	40.33	23.87
c.	Contingent liabilities		
	Income tax demands (refer note a)	116.41	101.76
	Indirect tax demands (refer note b)	137.42	141.10

Notes:

(a) The Company has received Income tax demands amounting to Rs. 116.41 million (excluding interest) for financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 against which appeals are pending with Commissioner of Income Tax (Appeals), Commissioner of Income Tax and Income tax Appelate Tribunal.

(b) The Company has received Service tax demands amounting to Rs. 137.42 million (excluding interest and penalties) for the period April 2007 to March 2013 against which appeals are pending with Central Excise and Service Tax Appelate Tribunal.

With respect to tax refund claims for the period July 2014 till March 2017 to the extent rejected by the Services Tax Deparment for Rs.2.11 million, the Company's appeals are pending before the Commissioner of Central Excise & CGST (Appeals).

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

35. Related party transcations

A. RELATED PARTIES & KEY MANAGEMENT PERSONNEL

Name of related party and related party relationship

Related party under Ind AS 24 – Related Party Disclosure 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 (till financial year 2017-18)

(II) Key Management Personnel:

1. Pradeep Kapoor (Non-Executive Director - Chairman)
2. PD Mundhra (Executive Director)
3. Anjan Malik (Non-Executive Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Pratik Bhanushali (Company Secretary)
6. Biren Gabhawala (Non-Executive Independent Director)
7. Anish Ghoshal (Non-Executive Independent Director)
8. Alok Goyal (Non-Executive Independent Director)
9. Deepa Kapoor (Non-Executive Independent Director)
10. Shailesh Kekre (Non-Executive Independent Director)
11. Vikram Limaye (Non-Executive Independent Director) resigned w.e.f. June 10, 2017
12. Gaurav Tongia (Company Secretary) resigned w.e.f. November 17, 2017
13. V.K. Mundhra (Non-Executive Director-Chairman) resigned w.e.f. November 1, 2017

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.

Transactions with Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:

Rupees in Million

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Duncan Stratton & Company Limited	Rent	-	0.03	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

Name	Nature of Transaction	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Anjan Malik	Dividend	9.76	9.97
PD Mundhra	Dividend	9.76	9.97
Pradeep Kapoor	Dividend	0.01	0.01
V.K. Mundhra	Dividend	-	0.04
Rohitash Gupta	Dividend	0.01	0.01
Gaurav Tongia	Dividend	-	0.01
Biren Gabhawala	Dividend	0.01	0.01
Anish Ghoshal	Dividend	0.01	0.01
Biren Gabhawala	Commission & Sitting Fees	2.12	1.89
Anish Ghoshal	Commission & Sitting Fees	2.12	1.85
Vikram Limaye	Commission & Sitting Fees	-	0.36
Pradeep Kapoor	Commission & Sitting Fees	2.06	1.87
Alok Goyal	Commission & Sitting Fees	2.06	1.81
Deepa Kapoor	Commission & Sitting Fees	2.12	1.87
Shailesh Kekre	Commission & Sitting Fees	2.12	1.83
V.K. Mundhra	Buy Back of shares	-	2.40
PD Mundhra	Buy Back of shares	-	569.24
Anjan Malik	Buy Back of shares	-	569.56
Pradeep Kapoor	Buy Back of shares	-	0.45
Biren Gabhawala	Buy Back of shares	-	0.37
Rohitash Gupta	Buy Back of shares	-	0.65

Compensation of key management personnel of the Group

	March 31, 2019 Rupees in Million	March 31, 2018 Rupees in Million
Anjan Malik		
Short-term employee benefits	21.50	24.26
PD Mundhra		
Short-term employee benefits	21.39	24.15
Rohitash Gupta		
Short-term employee benefits	12.92	12.09
Share-based payment	0.02	4.98
Gaurav Tongia (resigned w.e.f. November 17, 2017)		
Short-term employee benefits	-	2.13
Share-based payment	-	-
Pratik Bhanushali		
Short-term employee benefits	3.13	0.57
Total compensation paid to key management personnel	**58.96**	**73.16**

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 Group as a whole.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel except share based payment which is disclosed on the basis of shares exercised.

36. Segment Information

The Board of directors i.e. Chief Operating Decision Maker evaluates the group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group operates under a single reportable segment which is data management, analytics solutions and process outsourcing services. Further the risks and rewards under various geographies where the group operates are similar in nature.

The following tables present revenue and assets information regarding the Group's geographical segments:

Revenue from external customers	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rupees in Million	Rupees in Million
United States of America	9,093.55	8,196.74
United Kingdom	737.06	599.92
Europe	3,307.62	3,163.94
Asia Pacific	842.08	1,582.85
Total Revenue	**13,980.31**	**13,543.45**

The Group has two customers with revenue greater than 10% each of total group revenue totalling Rs. 4,518.02 million for the year ended March 31, 2019 and four customers with revenue greater than 10% each of the group revenue totalling Rs. 5,602.51 million for the year ended March 31, 2018.

Non-current operating assets	As at March 31, 2019	As at March 31, 2018
	Rupees in Million	Rupees in Million
United States of America	1,053.53	1,036.64
United Kingdom	12.63	17.01
Europe	1,800.39	1,905.10
Asia Pacific	970.71	700.96
Total Assets	**3,837.26**	**3,659.71**

Note: Non - current operating assets for this purpose consists of property plant and equiment, capital work in progress, goodwill, other intangibles, other non - current assets and net tax assets.

37. Hedging activities and derivatives

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in USD. These forecast transactions are highly probable, and they comprise about 61% of the Group's total expected sales in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in the foreign exchange forward rate. The terms of foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

March 31, 2019					
Type of Hedge and Risks	Nominal Value (Rupees in Million)	Carrying amount of hedging instrument (Rupees in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	10,416.27	207.33	-	April 2019-April 2021	72.65

March 31, 2018					
Type of hedge and risks	Nominal Value (Rupees in Million)	Carrying amount of hedging instrument (Rupees in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,721.29	249.24	-	April 2018-March 2020	68.78

The cash flow hedges of the expected future sales during the year ended March 31, 2019 were assessed to be highly effective and a net unrealised gain of Rs. 207.33 million, with a deferred tax liability of Rs. 57.60 million relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges of the expected future sales during the year ended March 31, 2018 were assessed to be highly effective and an unrealised gain of Rs 249.24 million with a deferred tax liability of Rs. 68.88 million was included in OCI in respect of these contracts.

The amounts reclassified from OCI to profit or loss for the year ended March 31, 2019, amounts to loss of Rs.122.88 million (March 31, 2018: gain of Rs. 761.96 million).

38. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rupees in Million

	Carrying value		Fair value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
Fair value through profit or loss (FVTPL) financial investments	2,860.24	1,650.32	2,860.24	1,650.32
Foreign exchange forward contracts	207.33	249.24	207.33	249.24
Total	**3,067.57**	**1,899.56**	**3,067.57**	**1,899.56**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets carried at fair value through profit and loss ("FVTPL") are derived from quoted market prices in active markets.

The Group enters into derivative financial instruments with various counterparties. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The valuation techniques include forward pricing using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. As at March 31, 2019, the marked-to-market value of derivative asset positions should be net of credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships recognised at fair value.

The fair value of security deposit that carries no interest is measured at the present value by discounting using the prevailing market rate of interest for a similar instrument with a similar credit rating.

39. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2019:

Rupees in Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign exchange forward contracts	March 31, 2019	207.33	-	207.33	-
FVTPL financial investments (Note 38):					
Investments in quoted mutual funds	March 31, 2019	2,860.24	2,860.24	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Rupees in Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign exchange forward contracts	March 31, 2018	249.24	-	249.24	-
FVTPL financial investments (Note 38):					
Investments in quoted mutual funds	March 31, 2018	1,650.32	1,650.32	-	-

40. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprises trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken which is consistent with the Group's foreign risk management policy. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I: Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTPL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2019.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post- retirement obligations; provisions, and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018 including the effect of hedge accounting.

The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges at March 31, 2019 and March 31, 2018 for the effects of the assumed changes of the underlying risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investment in foreign subsidiaries.

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 24- month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure with forecasted sales

As at March 31, 2019, the Group hedged 61% (March 31, 2018: 65.13%) of its expected foreign currency sales in US dollars. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in overseas.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2019	+5%	125.88	(10.37)
	-5%	(125.88)	10.37
March 31, 2018	+5%	146.51	(12.46)
	-5%	(146.51)	12.46

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2019	+5%	1.65	-
	-5%	(1.65)	-
March 31, 2018	+5%	-	-
	-5%	-	-

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments and monetary assets and liabilities denominated in foreign currency, where the functional currency of the entity is a currency other than foreign currency.

Equity price risk

The Group's equity price risk is minimal due to no investment in listed securities and immaterial investment in non-listed equity securities.

At the reporting date, the exposure to unlisted equity securities was Rs.2.4 million. No sensitivity analysis done since amount is immaterial.

II: CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

For trade receivables or contract revenue receivables, the Group follows 'simplified approach' for recognition of impairment loss allowance.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial instruments and bank deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's treasury department on a periodic basis as per the Board of Directors approved investment policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure relating to financial derivative instruments is noted in note 37.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations.The objective of liquidity risk management is to maintian sufficient liquidity and ensure that funds are available for use as per requirements.The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Rupees in Million

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended March 31, 2019					
Other financial liabilities	-	348.15	103.52	8.11	459.78
Trade and other payables	-	111.43	4.63	-	116.06
	-	**459.58**	**108.15**	**8.11**	**575.84**
Year ended March 31, 2018					
Other financial liabilities	-	308.19	123.53	15.49	447.21
Trade and other payables	-	200.85	3.21	0.64	204.70
	-	**509.04**	**126.74**	**16.13**	**651.91**

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

42. Buyback of shares

During the previous year ended March 31, 2018, the Company bought back 1,290,000 shares of Rs 10 each at a buyback price of Rs 2,000 per share and total buyback amounted to Rs. 2,580 million.

The Board of Directors vide their meeting dated March 14, 2019 approved, subject to shareholders' approval, buyback of equity shares of the Company. Subsequent to balance sheet date, the shareholders' approval was procured vide postal ballot, results of which were announced on April 26, 2019. The Share Buyback Committee accordingly determined the final buyback price of Rs. 1,500 per share and the final amount available for Buyback is Rs.2,620 million.

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43. Transfer pricing

The Group is required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting a transfer pricing study to determine whether transactions with associated 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 and hence, the aforesaid legislations will not have any impact on the consolidated financial statements

44. Standards issued but not yet effective

Ind AS 116 : Leases

Ind AS 116 was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

Ind AS 116 will come into force from April 1, 2019. Ind AS 116 permits two methods of transition: i) full retrospective method: retrospective application to each prior reporting period applying Ind AS 8 Accounting Polices, Changes in Accounting Estimates and Errors or, ii) modified retrospective method: retrospective application with cumulative effect of initially applying Ind AS 116 recognised at the date of initial application (i.e. April 1, 2019). Certain practical expedients are available under both the methods. The standard also contains additional disclosures requirements as defined in Ind AS 116. The Group is evaluating the requirements of the standard and the effect on its financial statements.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

This interpretation will come into force from April 1, 2019. The Group is evaluating the requirements of the amendment and the effect on its financial statements.

Amendments to Ind AS 12 – Income taxes

The amendments clarify that the income tax consequence of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment will come into force from April 1, 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its financial statements.

Amendments to Ind AS 19 – Employee benefits

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after April 1, 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

45. Summary of Net assets and share in profit or loss of the Group

Rupees in million

Name of the Entity	Net assets*	%	Share in Profit or (loss)*	%	Share in other comprehensive income*	%	Share in total comprehensive income*	%
March 31, 2019								
Parent								
eClerx Services Limited	13,052.03	94%	2,096.13	92%	(39.47)	64%	2,056.66	93%
Subsidiaries								
Foreign								
eClerx LLC	936.02	7%	122.47	5%	38.84	-63%	161.31	7%
eClerx Limited	197.57	1%	4.54	0%	(0.09)	0%	4.54	0%
eClerx Private Limited	104.92	1%	38.62	2%	0.96	-2%	39.58	2%
eClerx Investments (UK) Limited	1,807.78	13%	(26.94)	-1%	(67.81)	110%	(94.75)	-4%
CLX Europe S.P.A	1,444.56	10%	27.87	1%	-	0%	27.87	1%
Sintetik S.R.L.	-	0%	-	0%	-	0%	-	0%

Rupees in million

Name of the Entity	Net assets*	%	Share in Profit or (loss)*	%	Share in other comprehensive income*	%	Share in total comprehensive income*	%
CLX Europe Media Solution GmbH	209.68	2%	13.19	1%	-	0%	13.19	1%
CLX Europe Media Solution Limited	74.51	1%	(4.61)	0%	-	0%	(4.61)	0%
eClerx Canada Limited	1.30	0%	2.65	0%	-	0%	2.65	0%
CLX Thai Company Limited	12.80	0%	0.71	0%	-	0%	0.71	0%
Non controlling Interest								
CLX Thai Company Limited	5.85	0%	0.38	0%	-	0%	0.38	0%
Controlled trust								
eClerx Employee Welfare Trust	(105.66)	-1%	(71.85)	-3%	-	0%	(71.85)	-3%
Adjustment arising out of consolidation	(3,922.53)	-28%	79.85	3%	5.84	-9%	85.69	4%
Total	**13,818.83**	**100%**	**2,283.01**	**100%**	**(61.73)**	**100%**	**2,221.28**	**100%**
March 31, 2018								
Parent								
eClerx Services Limited	10,953.49	91%	2,781.19	96%	(325.44)	1240%	2,455.75	97%
Subsidiaries								
Foreign								
eClerx LLC	755.79	6%	58.67	2%	(0.62)	2%	58.05	2%
eClerx Limited	190.52	2%	18.29	1%	12.59	-48%	30.88	1%
eClerx Private Limited	64.96	1%	27.70	1%	2.59	-10%	30.29	1%
eClerx Investments (UK) Limited	1,834.72	15%	85.40	3%	-	0%	85.40	3%
CLX Europe S.P.A	1,462.01	12%	(18.23)	-1%	-	0%	(18.23)	-1%
Sintetik S.R.L.	1.95	0%	(0.66)	0%	-	0%	(0.66)	0%
CLX Europe Media Solution GmbH	203.43	2%	16.05	1%	-	0%	16.05	1%
CLX Europe Media Solution Limited	80.27	1%	(0.86)	0%	-	0%	(0.86)	0%
eClerx Canada Limited	(1.24)	0%	(3.78)	0%	-	0%	(3.78)	0%
CLX Thai Company Limited	10.89	0%	0.35	0%	-	0%	0.35	0%

Rupees in million

Name of the Entity	Net assets*	%	Share in Profit or (loss)*	%	Share in other comprehensive income*	%	Share in total comprehensive income*	%
Non controlling Interest								
CLX Thai Company Limited	5.35	0%	(0.42)	0%	-	0%	(0.42)	0%
Controlled trust								
eClerx Employee Welfare Trust	(33.81)	0%	(28.65)	-1%	-	0%	(28.65)	-1%
Adjustment arising out of consolidation	(3,475.52)	-29%	(35.63)	-1%	284.63	-1084%	249.00	9%
Total	**12,052.81**	**100%**	**2,899.42**	**100%**	**(26.25)**	**100%**	**2,873.17**	**100%**

* the details of net assets and share in profit and loss have been presented before eliminations.

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 23, 2019

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

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eClerx

eClerx Services Limited

CIN: L72200MH2000PLC125319
Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai 400 023, Maharashtra, India.
Phone no.: +91 (22) 6614 8301 Fax No: +91 (22) 6614 8655
Email: investor@eClerx.com Website: www.eClerx.com

REQUEST FOR ENROLMENT UNDER GREEN INITIATIVE

Dear Member,

As you are aware, the Ministry of Corporate Affairs and Securities Exchange Board of India have taken a lead in 'Green Initiative' by allowing listed companies to supply soft copies of Annual Reports and other communications to all those Members who have registered their e-mail address for the purpose.

To be part of this Green Initiative, we propose to send all documents including the notice convening the General Meeting, Financial Statements, Annual Reports, Postal Ballots, etc. in electronic form, to the email address of the Members. This will help in prompt receipt of communication, reduce paper consumption and avoid loss of documents in transit.

In case you have not registered any e-mail address with the Company/Depository Participant (DP), we request you to register the same at the earliest with your Depository Participant (DP) in case of shares held in demat mode and R&T Agent (viz. Karvy Fintech Private Limited) in case of shares held in physical mode at: einward.ris@karvy.com.

If at any time you wish to receive a physical copy of any communication/document which has been sent through email, the same would be provided free of cost on receipt of a written request from you.

Please note that all these communications/documents shall be available on Company's website www.eClerx.com and shall also be kept open for inspection at the Registered Office of the Company during office hours.

We look forward to your support.

For any clarification on the matter, you may contact at investor@eClerx.com.

Thanking you,

For eClerx Services Limited,

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

PROXY FORM

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

eClerx Services Limited

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Email: investor@eClerx.com Website: www.eClerx.com

19TH ANNUAL GENERAL MEETING - THURSDAY, AUGUST 29, 2019

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No.:	
DP ID/Client ID:	

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

1. Name : ....

   Address: ....

   E-mail Id: ....

   Signature: .... or failing him/her

2. Name : ....

   Address: ....

   E-mail Id: ....

   Signature: .... or failing him/her

3. Name : ....

   Address: ....

   E-mail Id: ....

   Signature: .... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on the 29th day of August, 2019 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, 2019, 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, 2019, together with the Reports of the Auditors thereon.			
2.	To declare dividend for the year ended March 31, 2019 amounting to ₹ 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 re-appoint Statutory Auditors of the Company and fix their remuneration.			
Special Business:				
5.	To approve payment of remuneration by way of commission to Non-Executive Independent Directors of the Company.			
6.	To consider and approve the re-appointment of Mr. PD Mundhra (DIN: 00281165) as Whole-Time Director for a period of 5 (Five) Years, effective from April 1, 2020.			

Signed this ______________ day of ______________ 2019

______________________ ______________________

Signature of shareholder Signature of Proxy holder(s)

Affix Revenue Stamp

Note:

1) This form of proxy in order to be effective should be duly 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 he/she deems appropriate.

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SHAREHOLDER'S SATISFACTION SURVEY FORM – 2019

Dear Shareholders,

It has been our constant endeavour to provide best of the services to our valuable shareholders and maintain good level of Corporate Governance in this Company. In order to further improve shareholder service standards, we seek your inputs through this survey.

We would be grateful, if you could spare your valuable time to fill the questionnaire given below and send it back to us at the Registered Office address mentioned above.

Alternatively, a soft copy of the questionnaire can be downloaded from our website www.eClerx.com. The duly filled in questionnaire can be sent by e-mail to investor@eClerx.com.

Thanking You,
For eClerx Services Limited

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Name & Address of the Shareholder	
Folio No./DP ID/Client ID	

Kindly put a tick in relevant columns below:

ATTRIBUTES	Please indicate your satisfaction level		
	DELIGHTED	SATISFIED	DISSATISFIED
Transfer/Transmission/Demat/Remat of Shares			
Issue of Duplicate Share Certificates			
Buy-Back of equity shares 2019			
Issue of duplicate Dividend Warrants/Demand Drafts			
Dividend through ECS/Warrants/Demand Drafts			
Responses to queries/complaints			
Interaction with Company/R&T Agent personnel			
Presentation of information on Company's website			
Quality and Contents of Annual Report 2018-19			
Please give your overall rating of our investor service (1 to 5 where 1 = highly dissatisfied and 5 = highly satisfied)			
Did you find the e-mail id investor@eClerx.com for redressal of Investors' Grievances useful?	YES/NO		
Give details of outstanding grievances, if any			
Any suggestions?			

Date:

____

Signature

Disclaimer: eClerx will keep the information provided by you as confidential and it will not be used in any way that is detrimental to you.

Notes

RECYCLED PAPER

Notes

Designed by eClerx Communication Design Team

eClerx

eClerx Services Limited

CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023,
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Website: www.eClerx.com

Follow us on Social Media

https://www.linkedin.com/company/eclerx

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