eClerx

eClerx Services Limited
CIN: L72200MH2000PLC125319
Regd Office: Sonawala Building,
1st Floor, 29 Bank Street, Fort,
Mumbai – 400 023, India.
Phone: +91-22-66148301| Fax : +91 22 6614 8655
Email id : investor@eclerx.com | Website : www.eclerx.com

August 22, 2017

BSE Ltd,
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 023

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai - 400051

Dear Sirs,

Sub: **Annual Report as approved in the 17th Annual General Meeting held on August 22, 2017**

Stock code: **BSE - 532927**
NSE - ECLERX

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, please find attached 17th Annual Report for the Financial Year ended 2016-17 containing the financials for FY 2016-17, as approved by the shareholders of the Company at its 17th Annual General Meeting held on Tuesday, August 22, 2017.

Please take the same on record and bring it to the notice of your constituents.

Thanking you,

Yours faithfully,
For **eClerx Services Limited**

Tongia

(Gaurav Tongia)
Company Secretary

eClerx Services Limited Mumbai

Encl: A/a.

Cc to:

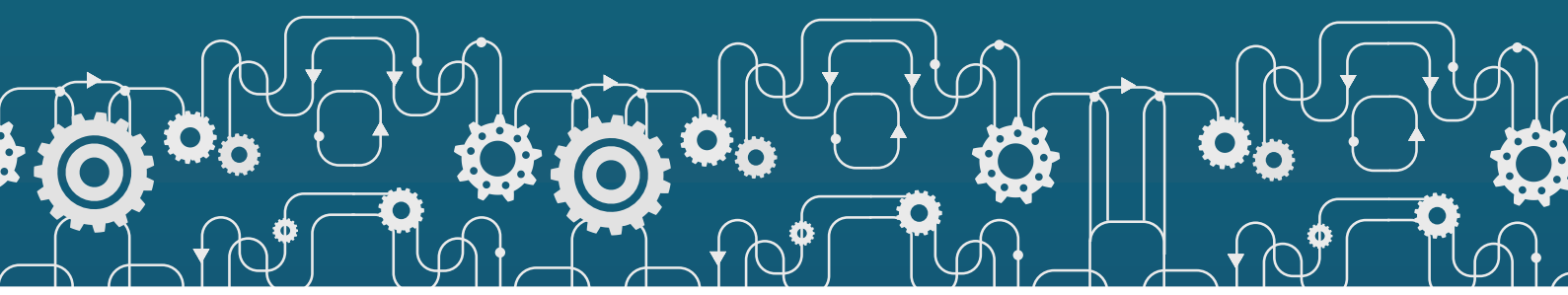
1. **The Managing Director,**
   National Securities Depository Limited
   Trade World, 4th floor,
   Kamala Mills Compound,
   Senapati Bapat Marg,
   Lower Parel, Mumbai - 400 013

2. **Central Depository Services (India) Limited**
   16th Floor, P.J. Towers,
   Dalal Street, Fort,
   Mumbai 400 023.

eClerx
Annual Report
2016-17

2017

Committed to Intelligent Solutions



Contents

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

eClerx is a registered trade mark of eClerx Services Limited.

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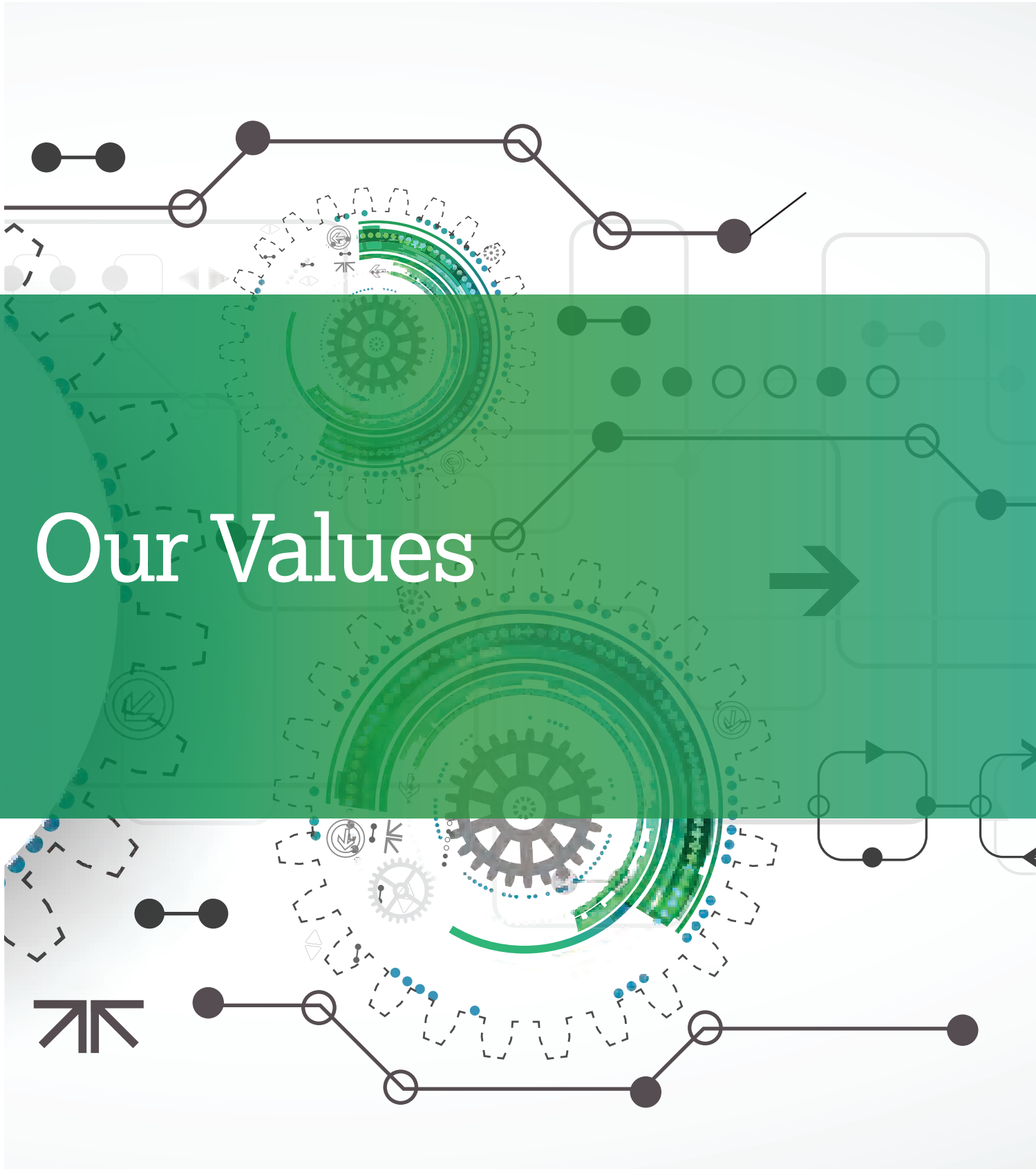


Who We Are

eClerx provides critical business operations services to over thirty 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 is one of India's leading process management and data analytics companies and is today traded on both the Bombay and National Stock Exchanges of India.

eClerx employs more than 8,800 people across its global sites in the US, UK, Italy, Germany, and Singapore, along with its delivery centres in India and Thailand.



Our Values

QUALITY
Make it our religion

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

PEOPLE
Attract and invest in the best

- Create a meritocratic culture
- Invest aggressively in recruitment and training
- Provide cross-functional transfer opportunities
- Encourage active work-life balance

CULTURE
Develop a professional, client-centric culture

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



Awards and Accolades

Won the
GOLDEN PEACOCK AWARDS, 2017
for Business Excellence

Won the
NETAPP INNOVATION AWARDS, 2017

eClerx's application 'eVigilPRO' has been awarded as the
'MOST ADMIRED DATA SCIENCE PROJECT OF THE YEAR' AT CYPHER 2016,
organized by Analytics India Magazine

eVigilPRO was recognized by
DATAQUEST VERTICAL WARRIOR AWARD 2016

eVigilPRO awarded with
'USE OF TECHNOLOGY FOR OPERATIONS EXCELLENCE'
at Asia BPO Summit 2016

Won the
MAKE (MOST ADMIRED KNOWLEDGE ENTERPRISE) ASIA AWARDS, 2016

Won awards in five categories at the
WORLD QUALITY CONGRESS 2016

Won both Gold and Silver awards at the
ASQ-SATEA (AMERICAN SOCIETY FOR QUALITY-SOUTH ASIA TEAM EXCELLENCE AWARD) 2016

Second runner-up award at the
2016 QIMPRO CONVENTION IN MUMBAI IN THE BEST IMPROVEMENT CATEGORY



What We Do



Financial Markets

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

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

Digital

eClerx creates, manages, and delivers creative assets globally to the multi-channel market to support the marketing, communication, and branding needs of Global Fortune 500 enterprises including luxury brands and major retailers. We also support the marketing functions of these clients with other services covering all aspects of their digital operations including campaign execution, conversion rate optimization, and other marketing-automation needs. Marketing analytics is a special area of focus for us, especially in the digital analytics area.

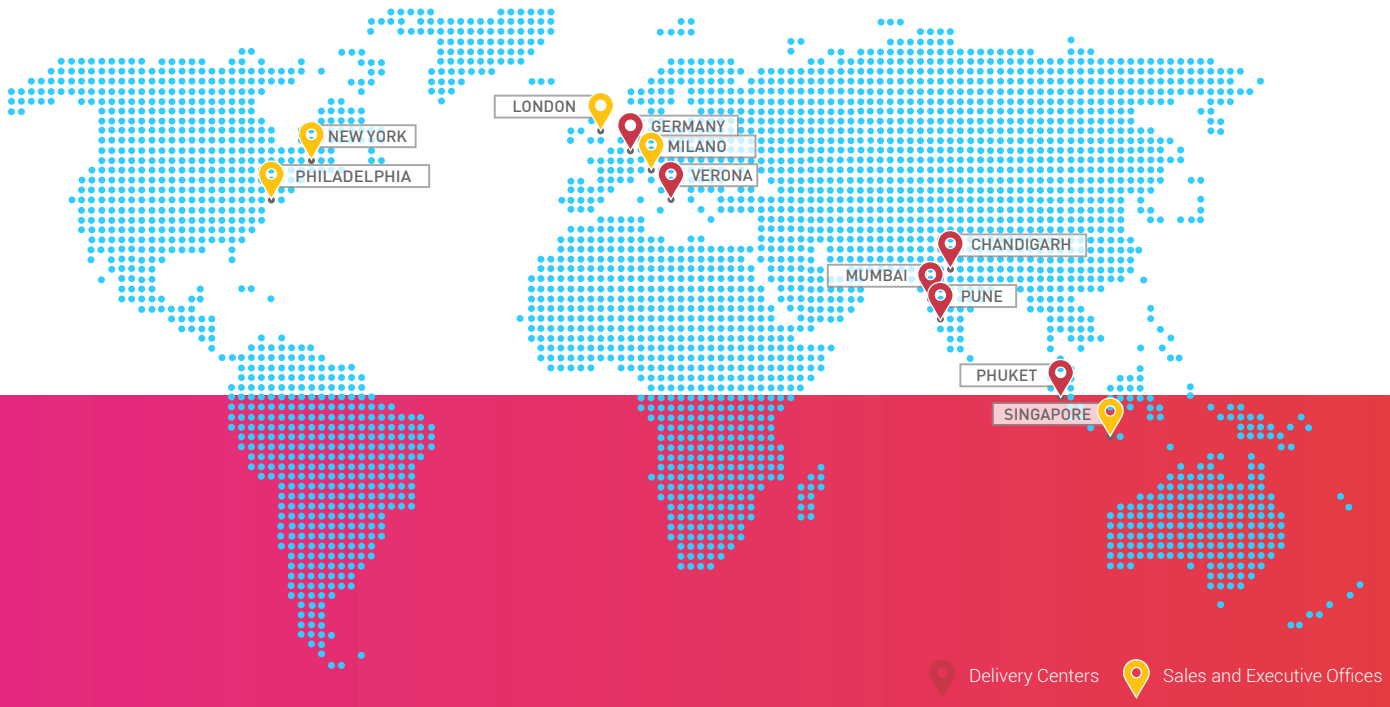
- Creative Production
- 3D and CGI Digital Asset Creation
- Digital Operations
- Online Content Management
- Conversion Rate Optimization
- Marketing Campaign Execution
- Data Management and Reporting
- Digital and Marketing Analytics

Customer Operations

For the cable and telecom industry, eClerx offers a wide range of services that span all lines of business (data, video, and voice), all support channels (chat, e-mail, and phone) and multiple functional areas (care, repair, billing, retention, sales, and technical operations).

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

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



Our Locations

REGISTERED OFFICE

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

CORPORATE OFFICE

eClerx Services Limited
4th Floor, Express Towers,
Nariman Point,
Mumbai – 400 021.
Maharashtra, India.
Ph. No.: +91 (22) 6614 8300

Delivery Centers

AIROLI

Building # 11, 4th, 5th & 6th Floor,
Building # 14, 4th & 5th Floor,
K Raheja Mindspace,
Plot # 3, TTC Industrial Area,
Thane Belapur Road,
Airoli, Navi Mumbai – 400 708,
Maharashtra, India.
Ph. No.: +91 (22) 6114 1555
+91 (22) 4183 2777
Fax No.: +91 (22) 6114 1333
+91 (22) 4194 3292

CHANDIGARH

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

PUNE

Block 01, 5th Floor,
Block 04, 2nd Floor,
Quadron Business Park Limited,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase-II,
Pune – 411 057,
Maharashtra, India.
Ph. No.: +91 (20) 4027 7990
Fax No.: +91 (20) 6676 4480

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

PHUKET

eClerx CLX,
Chaofa Rd, Palai Soi 2 44
Moo Chalong, Sub-District Muang,
Phuket, Thailand.
Ph. No.: +66 76 380 653

VERONA

eClerx CLX, Via Donatello, 30
20131 Milano, Italy.
Ph. No.: +39 02 36 567 195
Fax No.: +39 02 36 569 007

HAMBURG

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

Sales Offices

AMERICAS

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

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

APAC

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

EMEA

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

eClerx CLX, Via Donatello, 30
20131 Milano, Italy
Ph. No.: + 39 045 8294 999
Fax No.: +39 045 8294 944



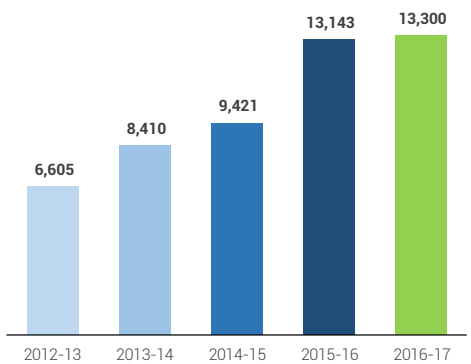
Financial Highlights

(Rupees in Million)

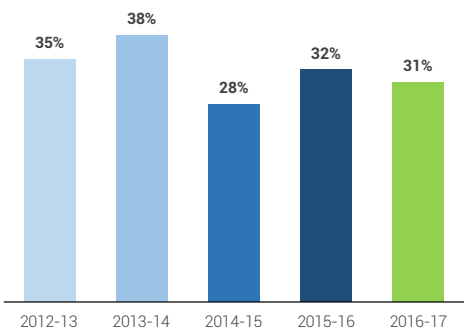
PARTICULARS	2012-13	2013-14	2014-15	2015-16*	2016-17
Income from Operations	6,605.34	8,409.94	9,421.20	13,143.16	13,300.33
Other Income	(181.78)	110.20	324.58	369.46	282.00
Earnings Before Interest, Depreciation, Taxes, and Amortization	2,364.79	3,645.98	3,479.56	5,168.20	4,876.54
Tax Expenses	393.37	759.14	682.58	1,184.97	819.03
Profit After Tax	1,716.02	2,556.56	2,296.76	3,414.95	3,540.27
Equity Share Capital	298.75	301.77	303.51	407.89	397.10
Reserves	4,084.53	5,587.75	8,144.43	10,519.49	11,756.41

** Financials for the year ended March 31, 2016 are reclassified as per Ind AS (refer note No. 42 under consolidated financial statements)*

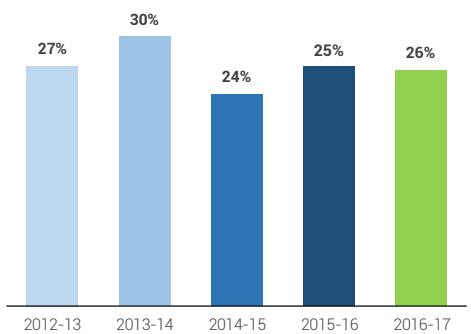
Operating Revenue (Rs. in Million)



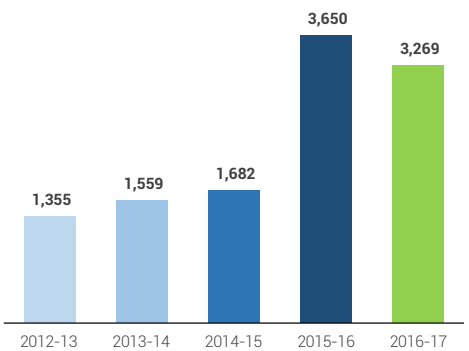
Operating Margin (%)



Profit After Tax (%)



Fixed Assets (Rs. in Million)





Chairman's Message

2017 saw a comprehensive overhaul of Brand eClerx – a new logo, a new website, and the rebranding of each of our businesses. This is in line with our investment to deepen our domain presence and increase closeness to customers and the industry. We have eClerx Markets – focused on capital-markets clients and transaction lifecycle services, eClerx Digital –delivering high-end creative content, digital marketing services, and Analytics, and eClerx Customer Operations – delivering customer operations and support services.

Year in Review

FY 2016-17 was a challenging year for business growth. Lower economic growth in client markets was compounded by geopolitical climate in major client countries favoring anti-globalization policies. The increasing maturity of the offshoring cycle and improving technology capabilities also meant our clients favoring cost reduction through automation instead of pure outsourcing. Digital continued to be a large 'disrupter' for clients as 'old' business models were challenged by new tech-enabled businesses. Clients reacted to economic, political, and business uncertainties by re-shoring some jobs and reducing contract spends and committed durations.

These headwinds coalesced to produce a year of decreased USD revenue for us – down by 2.6% over the year prior. This annual revenue decline – our first in operating history – was prefaced by key metrics that otherwise painted a very encouraging picture. Overall sales for the firm – new contracts and orders – were very strong and we notably added a number of large clients across each of our businesses in both existing and new service lines – a result of our sustained investment in select 'productized' services. Diversification improved further – revenue from our top five clients stood at 61% and top-10 client concentration at 74%, with growth skewed towards our emerging clients' portfolio.

We won some notable awards and recognitions in the year. We were again Asia MAKE (Most Admired Knowledge Enterprise) winner, highlighting our culture of learning and development; we won the American Society for Quality Asia award for operational excellence and the Golden Peacock award for Business Excellence. Our technology and Analytics investments continued to help us stand out – eVigilPRO – an eClerx software application – was a Dataquest winner, and Analytics India named an eClerx client program the 'Most Admired Data Science Project of the Year'.

Last but not the least, we continued our partnership with innovative charity organizations to further leverage our CSR spend. Our initiatives over the years have touched over 30,000 lives – mostly children in underdeveloped regions for whom these support networks have helped develop self-reliance and purposefulness where there was previously none. We have directly funded projects as well as encouraged our employees to actively engage in charity, support, and development work across India, USA, and UK. As a management team, we are particularly proud of our CSR initiatives.

Progress on Our Strategic Roadmap

We set out some key initiatives for the firm last year and it's worth taking stock of our progress on each of these.

First, we set out to improve access for clients to our full set of capabilities as a firm as opposed to individual verticals, and implemented processes and systems to encourage cross-vertical selling into our clients; this started bearing fruit with clients becoming buyers of multi-vertical services. We also centralized client marketing and introduced targeted return metrics to drive better coordinated client strategy and outreach.



Chairman's Message

Second, as clients increasingly look to service partners to co-create solutions, being physically closer to decision makers and having in-country delivery capability has become ever more critical. This year we announced the set-up of our first US delivery centre in North Carolina and the set-up of our new Austin office – also the centre of our Analytics business – and the creation of our Canadian subsidiary. Our centres in Verona and Phuket continued to serve as hotbeds of innovation and advanced capabilities. This year, we also delivered the largest number of consulting and Analytics programs in client locations. These initiatives helped deepen our engagement with clients, allowing us to shape offshoring opportunity much earlier in decision cycles.

Third, we continued to drive growth in Analytics and we had our best year, leveraging client-location delivery and technology to drive new growth. We continued to focus away from 'managing' data to extracting value and insights, and enjoyed early success taking some of these services into other verticals. We are convinced that the success of our Analytics initiative will be critical to the overall success of the firm.

Finally, we further tuned our technology efforts to ensure that we capitalize on emergent areas. Our focus in 2017 was robotics and machine learning, wherein we have developed our own technologies and significantly broadened partnerships with developing platforms. During the year, we developed and implemented a number of use cases for clients, and integrated these technologies to transition some FTE contracts into managed services. This drive to tech-wrapped services remains core to driving differentiation, long-term value, relevance, stickiness, and profitability for our Company.

Management and Advisors

This year, we added members – to our independent board – who have direct relevant experience of working with our clients and industry. We also established an industry advisory group, retaining key senior ex-clients as strategic advisors to guide our service development and client outreach initiatives. We continued to make key hires to strengthen management, notably hiring a Managing Principal in the US to run eClerx Markets. We believe these initiatives will shape the future of our company by guiding investment decisions, helping in the journey of becoming closer and more relevant to clients.

A Decade as a Public Listed Company

In December 2017, we will complete a decade as a public listed company. Over this time, we have delivered strong results and become an increasingly diversified provider of niche services, leveraging operational excellence, domain expertise, and technology. We have developed and sustained large client relationships, won many industry accolades, faced down competition from many established companies, and negotiated severe events such as the great financial crisis of 2008. We have also developed a reputation for the highest level of corporate governance and management integrity, serving to encourage foreign investment into mid-size Indian companies.

You should feel proud of the Company that you today support. Whilst we may undoubtedly be in a period of greater demand uncertainty than in the past, you should feel confident that we are better positioned than ever before to capitalize on the opportunities available in the market.

Sincerely,

V. K. Mundhra
Chairman



Corporate Information

Board of Directors

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

Statutory Auditors

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

Internal Auditors

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

Chief Financial Officer

Rohitash Gupta

Company Secretary

Gaurav Tongia

Registered Office

Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023,
Maharashtra, India.
Ph. No.: 022 – 6614 8301 | Fax No.: 022 – 6614 8655
E-mail: investor@eClerx.com
CIN: L72200MH2000PLC125319

Registrar & Transfer Agent

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

Bankers

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



Notice

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting (AGM) of the Members of eClerx Services Limited ('the Company') will be held on Tuesday, August 22, 2017 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, 2017, 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, 2017, together with the Reports of the Auditors thereon.

2. To declare dividend for the year ended March 31, 2017 amounting to Re. 1/- per share.

3. To appoint a Director in place of V. K. Mundhra, [DIN: 00282180] who retires by rotation and being eligible, offers himself for re-appointment.

4. To ratify the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company and to authorise the Board of Directors (including Audit Committee) to fix their remuneration, and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable regulations, pursuant to the recommendation of the Audit Committee and Board of Directors, and the resolution passed by the Members of the Company at their meeting held on July 10, 2014, appointment of M/s S. R. Batliboi & Associates LLP, Chartered Accountants, 14th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, bearing Registration Number 101049W/E300004 for a period of 5 years i.e. up to the conclusion of Nineteenth Annual General Meeting, be and is hereby ratified under the provisions of Companies Act, 2013, and at such remuneration as the Board (including Audit Committee thereof) may deem fit.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorized 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 appoint Shailesh Kekre, [DIN: 07679583] as a Director in the capacity of Non-Executive Independent Director and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the relevant provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under ('the Act') (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Shailesh Kekre (DIN : 07679583), who was appointed as an Additional Director of the Company by the Board of Directors, under Section 161 of the Act, to hold office up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing under Section 160 of the Act, along with requisite deposit, proposing his candidature for the office of Director, be and is hereby appointed as Non Executive Independent Director of the Company to hold office for a term up to March 14, 2022, not liable to retire by rotation."

By Order of the Board
For eClerx Services Limited

Date: May 30, 2017
Place: Mumbai

Gaurav Tongia
Company Secretary

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY(S) TO ATTEND AND VOTE ON POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing a proxy in order to be valid / effective must be duly filled in all respects, stamped, signed and should be lodged with Company at its registered office atleast 48 hours before the commencement of the meeting. Proxies submitted on behalf of body corporates, companies, societies, etc. must be supported by an appropriate resolution/ authority, as applicable. 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. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

4. The Annual Report of the Company and other documents sent through e-mail is also available on the Company's website.

5. In terms of the 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.

6. 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.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 16, 2017 to Tuesday, August 22, 2017 (both days inclusive) for the purpose of Seventeenth Annual General meeting and for payment of Dividend for the financial year ended March 31, 2017.

8. Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and other applicable provisions, brief profile(s) of the Director(s) who is proposed to be appointed/re-appointed is annexed hereto.

9. M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai, who are the Statutory Auditors of the Company, hold office up to the conclusion of Nineteenth AGM. Their appointment is subject to annual ratification at the AGM. They have confirmed that they are eligible to be appointed as per the provisions of the Companies Act, 2013 and that their appointment would be within the limits prescribed under the Companies Act, 2013.

10. 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.

11. All documents referred to in the Notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. to 6.00 p.m. up to the date of and at venue of the AGM.

12. Statutory Registers maintained pursuant to the provisions of the Companies Act, 2013, will be accordingly available for inspection by the Members at the AGM.

13. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules 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') and for all business specified in the accompanying Notice. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, August 15, 2017, 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 Friday, August 18, 2017 and will end at 5.00 p.m. (IST) on Monday, August 21, 2017. The facility for voting through ballot, etc. 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.

14. The Company has appointed Dipti Mehta, (Membership No. FCS 3667), and failing her Atul Mehta, (Membership No. FCS 5782), Practising Company Secretaries of Mehta & Mehta, Company Secretaries, to act as the Scrutinizer, to *inter-alia*, scrutinize the voting process in a fair and transparent manner.

The Members desiring to vote through Remote e-voting may refer to the detailed procedure given hereinafter.

Procedure for Remote e-voting:

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

   (a) In case of Members receiving an e-mail from Karvy [for Member whose email IDs are registered with the Company/Depository Participant(s)]:

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

   (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by Folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

   (iii) After entering these details appropriately, click on – "Login".

   (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

   (v) You need to login again with the new credentials.

   (vi) On successful login, the system will prompt you to select the "EVENT" i.e., 'eClerx Services Limited'.

   (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

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

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

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

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

(xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email Evoting@mehtamehta.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(b) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided, as follows, at the bottom of the Attendance Slip enclosed with the physical Annual Report.

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

ii. Please follow all steps from Sr. No. (i) to Sr. No. (xii) above, to cast your vote by electronic means.

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

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and Evoting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact S. V. Raju, Deputy General Manager (Unit: eClerx Services Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Hyderabad - 500 032, Telangana, India. or email at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800- 3454- 001 for any further clarifications.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The remote e-voting period commences on Friday, August 18, 2017 9.00 a.m. (IST) and ends on Monday, August 21, 2017 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 Tuesday, August 15, 2017, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast their vote again.

VI. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, August 15, 2017.

VII. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Tuesday, August 15, 2017, he/she may obtain the User ID and Password in the manner as mentioned below :

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

Example for NSDL	:	MYEPWD <SPACE> IN12345612345678
Example for CDSL	:	MYEPWD <SPACE> 1402345612345678
Example for Physical	:	MYEPWD <SPACE> XXX1234567890

b) If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the homepage of https://evoting.karvy.com, the member may click 'forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

c) Member may call Karvy's toll free number 1-800-3454-001

d) Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.

VIII. The results shall be declared on or after the AGM. The results along with the requisite enclosures etc. shall also be placed on the Company's website www.eclerx.com and on the Karvy's portal https://evoting.karvy.com. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

15. Members are requested to:

a. produce the duly filled-in attendance slip, provided along with this Annual Report; Members who hold shares in dematerialized form are requested to quote their DP ID and Client ID and those who hold share(s) in physical form are requested to quote their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

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

c. send their queries, if any, on the operations of the Company, which shall reach the Company's Registered Office at least 10 days before the Annual General Meeting, so that the information could be compiled in advance; and

d. in case of shares held in physical form, immediately intimate change of address, if any, to the Registrar and Transfer Agent quoting reference of their registered folio number.

16. Dividend as recommended by the Board of Directors, if declared at the meeting, shall be paid to the shareholders on or after August 28, 2017, whose name appears on the Register of Members of the Company as per the book closure fixed for the purpose. In case of shares held in dematerialized form, the dividend thereon shall be paid to the beneficial owners, as per list provided by the Depositories for the said purpose.

17. Members who wish to claim their dividends declared in past and which remains unclaimed, are requested to contact Registrar and Share Transfer Agent (RTA) of the Company viz. Karvy Computershare Private Limited, 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 Rule thereunder, dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund.

18. i. In case the shares are held in physical form, all transfer deeds, requests for change of address, bank particulars/mandates/NECS mandates, PAN, registration of email id for receiving electronic communication from the Company/RTA should be lodged with the RTA of the Company.

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

19. Members are requested to furnish to the registrars/ depository participants, the name and branch of the bank and account number to enable the Company to distribute dividend through NECS. In the absence of NECS facility with the shareholder's bank, the bank account details will be printed on the dividend warrants, if available.

20. Pursuant to the provisions of Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to approach the Registrar and Share Transfer Agents.

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

Item No. 5

Appointment of Shailesh Kekre, as a Director in the capacity of Non-Executive Independent Director

The Board of Directors at its meeting held on March 15, 2017 appointed Shailesh Kekre as Additional Non-Executive Independent Director on the Board of the Company under Section 161 of the Companies Act, 2013. He holds the office of Director up to the date of this Annual General Meeting.

The Board is of the view that Shailesh Kekre brings in lot of industry specific insights and domain knowledge as he has an extensive experience in counselling CEOs/CXOs in the Technology sector and also specialises on topics related to building/scaling new businesses and advanced analytics and automation.

Brief profile of Shailesh Kekre in terms of Regulation 36(3) of the Listing Regulations is attached as Annexure-B to this Notice.

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

The Company has also received requisite disclosure as required under Companies Act 2013 and Listing Regulations, 2015. As per disclosure(s) to the Company, Shailesh Kekre does not hold any shares in the Company in his personal capacity either directly or through his dependent relatives. If appointed, he would hold office as Non-Executive Independent Director.

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

None of the Directors and Key Managerial Personnel of the Company or their relatives, other than Shailesh Kekre, are interested or concerned financially or otherwise, in the resolution(s).

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

ANNEXURE(S) TO THE AGM NOTICE

Annexure A

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

Item No. 3

Name	V. K. Mundhra	
DIN	00282180	
Age	73 years	
Profession	Business Executive	
Qualification	Holds a bachelor's degree in commerce from St. Xavier's College, Calcutta	
Date of first appointment on the Board	March 24, 2000	
Expertise in specific functional area and experience	He has over 37 years of varied business experience having successfully run and looked after large scale manufacturing units in the field of steel, engineering and chemicals. During the 1960-70, he was a director of Turner Morrison and Company Limited, which had several large manufacturing and industrial units under its fold such as Shalimar Tar Products Limited, Lodna Colliery Company Limited, Angelo Brothers Limited, Shalimar Works Limited etc. and was actively associated in their management. During the 1970s, he managed Globe Motors Limited, Delhi which had a steel division by the name of Globe Steel and an auto component clutch manufacturing unit called Luk Auto Ancillary India Limited. He converted Globe Steel from a mild steel manufacturing unit to an alloy steel manufacturing unit when there were hardly any such units in the private sector	
Remuneration Details	V. K. Mundhra, does not draw any remuneration or sitting fees from the Company	
Relationship with other directors and Key Managerial Personnel of the Company	Father of PD Mundhra, Executive Director	
Directorships held in other Companies	1. Innovative Impex Private Ltd 2. N. T. Estates & Investments Private Ltd 3. Duncan Stratton & Co. Ltd 4. Vinayak Properties Private Ltd 5. Consolidated Properties Private Ltd 6. Aashutosh Properties Private Ltd 7. Consolidated Packaging Company Private Ltd 8. Pragati Tie-up Private Ltd 9. Carter Hydraulic Private Ltd 10. Star Mark Nirman Private Ltd 11. Midtown Agencies Private Ltd 12. R M Investment & Trading Co Private Ltd	
Memberships/Chairmanships held in committees of the Board of other companies	Nil	
The number of meetings of the Board attended during the year	No. of meetings held	No. of meetings attended
	6	5
Shares held in the Company as on the date of Notice	41,977	

ANNEXURE(S) TO THE AGM NOTICE

Annexure B

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

Item No. 5

Name	Shailesh Kekre	
DIN	07679583	
Age	44 years	
Profession	Business Executive	
Qualification	Holds management degree from the Indian Institute of Management, Calcutta and a Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, Kanpur.	
Date of first appointment on the Board	March 15, 2017	
Expertise in specific functional area and experience	He was a Partner at McKinsey & Company in India and a leader of the Firm's global Sourcing and Analytics practices. He had been with McKinsey for over 17 years. He has served global enterprises in India, US, UK and Germany and has extensive experience in counselling CEOs/CXOs in the Technology sector. He specialises on topics related to building/scaling new businesses and strategy & operations for IT/BPM/R&D services. He was also the founder leader of McKinsey's Bangalore office having re-located to the city in 2011, to establish the 100th location of the Firm. Before joining McKinsey, he worked as an R&D engineer at Cadence Design Systems, wherein he built automation tools for electronic systems design.	
Remuneration Details	He would be paid remuneration at par with other non-executive independent directors of the Company pursuant to shareholders resolution dated July 17, 2015, which fixed the said remuneration as not exceeding Rs. 1.80 Million per non-executive independent director. The non-executive independent directors would be paid Rs. 1.65 Million during FY 2016-17. Accordingly, Shailesh Kekre would be entitled to proportionate amount of Rs. 0.08 Million besides sitting fees.	
Relationship with other directors and Key Managerial Personnel of the Company	NA	
Directorships held in other Companies	Nil	
Memberships/Chairmanships held in committees of the Board of other companies	Nil	
The number of meetings of the Board attended during the year	No. of meetings held	No. of meetings attended
	1*	1*
	*Shailesh Kekre, was inducted on the Board w.e.f March 15, 2017	
Shares held in the Company as on the date of Notice	Nil	

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Seventeenth Annual Report along with the audited annual accounts for the financial year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

Key aspects of Financial Performance/ Operating Performance of the Company for the year ended March 31, 2017 are tabulated below, inter-alia, pursuant to the Companies (Accounts) Rules, 2014.

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

(Rupees in Million)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Income from operations	11,620.22	11,058.85	13,300.33	13,143.16
Other Income	284.79	389.30	282.00	369.46
Total Income	**11,905.01**	**11,448.15**	**13,582.33**	**13,512.62**
Operating Expenses	7,406.62	6,886.71	8,705.79	8,344.42
Earnings before interest, tax, depreciation and amortization (EBITDA)	**4,498.39**	**4,561.44**	**4,876.54**	**5,168.20**
EBITDA%	**37.79**	**39.84**	**35.90**	**38.25**
Finance Costs	-	-	0.25	0.41
Depreciation, goodwill & amortization expenses	364.07	416.63	517.96	565.38
Profit before Exceptional Items, Interest, & Tax	4,134.32	4,144.81	4,358.58	4,602.82
Exceptional Items	80.41	259.14	-	-
Net Profit before Tax (PBT)	**4,053.91**	**3,885.67**	**4,358.33**	**4,602.41**
Taxes	742.43	937.17	819.03	1,184.97
Profit for the year before minority interest	**3,311.48**	**2,948.50**	**3,539.30**	**3,417.44**
Minority interest	-	-	(0.97)	2.49
Profit for the year attributable to the shareholders	**3,311.48**	**2,948.50**	**3,540.27**	**3,414.95**
NPM%	**27.82**	**25.76**	**26.07**	**25.27**
Profit for the period	3,311.48	2,948.50	3,540.27	3,414.95

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 is annexed to the Directors' Report and has been prepared, *inter-alia*, in compliance with the terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Apart from the information contained in Notes to the Financial Statements, no material changes and commitments have occurred after the closure of the FY 2016-17 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 Re. 1/- (10%) per share. The total quantum of dividend payout if approved by the Members will be about Rs. 54.92 Million including about Rs. 8.10 Million which will be paid by the Company towards dividend tax and surcharge on the same.

The Company had paid a dividend of Re. 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 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10
1	Interim	0	0	0	0	0	0	7.50
2	Dividend (Final)	1.00	35.00	35.00	25.00	17.50	22.50	10.00
3	Total Dividend for the year	1.00	35.00	35.00	25.00	17.50	22.50	17.50
4	Dividend as % EPS (Basic)	1.2%	46%	41%	43%	32%	53%	68%
5	Dividend as % Profit After Tax	1.2%	46%	41%	44%	32%	53%	45%
6	Tax Amount (Rs. Million)	8.54	222.28	179.50	126.93	82.50	105.32	31.61

The register of members and share transfer books will remain closed from Wednesday, August 16, 2017, to Tuesday, August 22, 2017 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The Seventeenth Annual General Meeting of the Company is scheduled to be held on Tuesday, August 22, 2017.

4. 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 aforesaid policy has also been posted on the Company's website on http://www.eclerx.com/Corporate%20Governance/Dividend%20Distribution%20Policy.pdf

5. GENERAL RESERVE

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2017.

6. BUY BACK OF EQUITY SHARES

During the year under review, the Company bought back 1,170,000 fully paid-up equity shares of face value of Rs. 10 each, constituting up to 2.87% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2016. The Buyback was undertaken on a proportionate basis, from the fully paid-up Equity Shareholder(s) / beneficial owner(s) of the Equity Shares of the Company as on October 28, 2016, by way of a Tender Offer for cash at a price of Rs. 2,000 (Rupees Two Thousand only) per Equity Share for an aggregate amount up to Rs. 2,340 Million excluding transaction cost(s), pursuant to shareholders approval dated October 14, 2016.

The Buyback size was about 24.95% of the aggregate paid-up equity capital and free reserves of the Company as per the standalone financial statements of the Company for the financial year ended March 31, 2016. Equity Shares held in demat mode accepted under the Buyback were transferred to the Company's demat account and the unaccepted

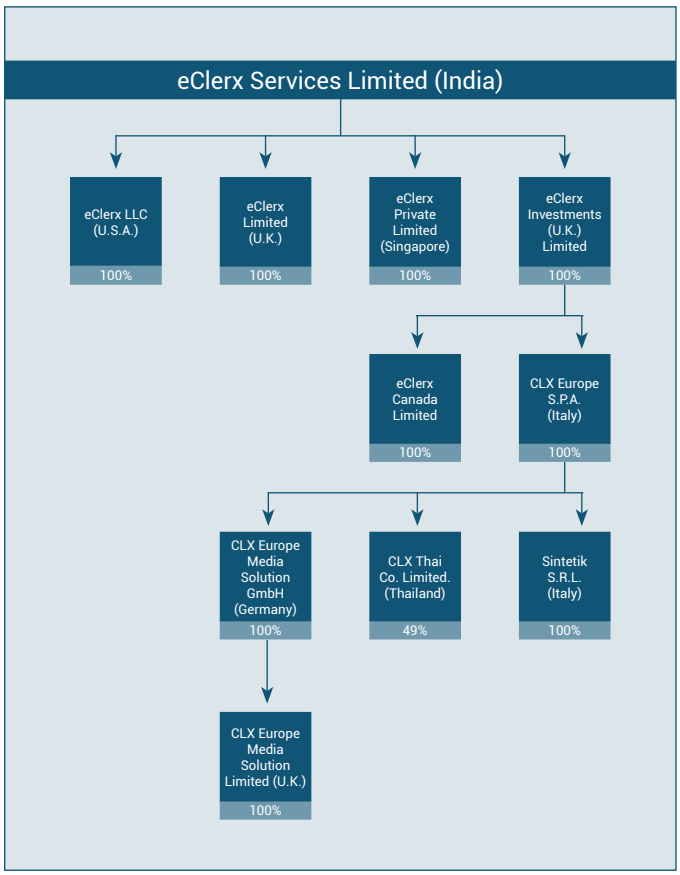
demat Equity Shares were returned to respective Seller Members / custodians by the Indian Clearing Corporation Limited / BSE. There were no Physical Shares tendered in the Buyback. The shares accepted under the Buy Back were extinguished and total issued capital was thus, then reduced to 39,712,350 equity shares of Rs. 10/.

7. PUBLIC DEPOSITS

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

8. SUBSIDIARIES / ASSOCIATE COMPANIES

The Company's subsidiaries / associate companies (with respective shareholding) as on March 31, 2017 are as follows:



Following subsidiary(ies) have been wound up/ merged during the year, with a view to maintain lean organization structure and better administrative control:

Sr. No.	Name of Subsidiaries
1	Agilyst Consulting Private Limited (India), step down subsidiary of the Company was amalgamated with eClerx Services Limited effective from April 1, 2015.
2	Agilyst Inc. USA, step down subsidiary was merged with eClerx LLC, USA, wholly owned subsidiary, effective from January 1, 2017.
3	eClerx Investment Ltd, BVI, was wound up effective March 28, 2017.

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 associates Company, during the year under review.

Pursuant to Section 136 of the Companies Act, 2013, 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 except Saturday between 11.00 a.m. to 6.00 p.m.

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

10. CLIENT BASE

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

Clients	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13
US$ 0.5-1 Million	14	16	7	6	5
US$ 1-5 Million	18	17	7	6	5
More than US$ 5 Million	6	7	7	6	6

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

As per explanation to Section 134 of the Companies Act, 2013, the Internal Financial Controls (IFC) are reviewed by your management and key areas are subject to various statutory, internal and operational audits based on periodic risk assessment. The findings of the audits are discussed with the management and key findings are presented before the Audit Committee for review of actionable items. The review of the IFC, *inter-alia*, consists of three components of internal controls, viz., Entity level controls, Key financial reporting controls and Internal controls in operational areas.

12. INCREASE IN SHARE CAPITAL

Particulars	No. of shares	Amount in Rupees
Issued, subscribed and Paid-up Capital as on April 1, 2016	40,788,686	407,886,860
Add: Number of shares allotted during the year FY 2016-17 on account of ESOP exercised	165,485	1,654,850
Less: Shares bought back via Tender Offer Route during the year FY 2016-17	1,170,000	11,700,000
Issued, subscribed and Paid-up Capital as on March 31, 2017	39,784,171	397,841,710

13. STATUTORY AUDITORS

M/s. S. R. Batliboi & Associates LLP, Chartered Accountants, Mumbai, [ICAI Registration No. 101049W / E300004] the Statutory Auditors of the Company, were appointed by the Shareholders at their meeting held on July 10, 2014 for a period of 5 years i.e. upto conclusion of Nineteenth Annual General Meeting subject to ratification by Shareholders at every Annual General Meeting as per the provisions of the Companies Act, 2013 ('Act'). Pursuant to the Act, Members are requested to consider ratification of their appointment and authorise the Board of Directors including Audit Committee thereof to fix their remuneration for the FY 2017-18.

In this regard, the Company has received a Certificate from the Auditors to the effect that their appointment as Auditors continues to be in accordance with the provisions of the Act.

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

14. SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Companies Act, 2013, and Rules thereunder, a Secretarial Audit Report for the FY 2016-17 in Form MR3 given by M/s Mehta & Mehta, Company Secretaries, is attached as Annexure-III with this report. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse mark.

15. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the prescribed form MGT-9 forms part of this report, as provided under Section 92 of the Companies Act in Annexure-II, 2013 read with the Companies (Management and Administration) Rules, 2014.

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

The Company has not received any 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.

17. DIRECTORS

1. In accordance with the Articles of Association of the Company, V. K. Mundhra, [DIN: 00282180] retires

from office by rotation, and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting of the Company. V.K. Mundhra has over 37 years of varied business experience having successfully run and looked after large scale manufacturing units in the field of steel, engineering and chemicals and Company stands to benefit from his distinguished experience. Further details are set out in the Notice convening this Annual General Meeting. The Board thus recommends his re-appointment for consideration of the shareholders.

2. Shailesh Kekre, [DIN: 07679583] was appointed as an Additional Non-Executive Independent Director of the Company with effect from March 15, 2017. As per the provisions of Section 161 of the Companies Act, 2013, ('the Act'), Shailesh Kekre in his capacity as an Additional Director will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment. The Company has received requisite notice under Section 160 of the Act from a Member proposing his appointment as Non-Executive Independent Director. Shailesh Kekre has furnished requisite disclosure(s) to the Company as required under Companies Act, 2013 and Listing Regulations. Considering the expertise and experience he brings on board, the Board of Directors recommend his appointment for consideration of the shareholders.

The brief resume(s) of the above Director(s) as required, *inter-alia*, in terms of Regulation 36 of the Listing Regulations and the required proposal for appointment/ re-appointment, as the case maybe, of the above Director at the forthcoming Annual General Meeting is included in the Notice convening this Annual General Meeting.

None of the above Directors are a key managerial personnel pursuant to the provisions of Companies Act, 2013. No other Director or Key Managerial Personnel have resigned during the year under review.

18. DECLARATION BY INDEPENDENT DIRECTOR(S)

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

19. BOARD, COMMITTEE AND INDIVIDUAL DIRECTORS EVALUATION

The Companies Act, 2013, rules there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that the Annual Report of the Company shall disclose the following:

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

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

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

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for candid communication and rigorous decision making;
- Board's focus on wealth maximization for shareholders;

- Board's ability to demand and foster higher performance;
- Business Continuity preparedness;
- Skill Set and mix thereof among Board members;
- Flow of information so as to enable informed opinions by the Directors;
- Adequacy of meetings of directors in terms of frequency as well as the time dedicated for discussions and deliberations.

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

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

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

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

In a separate meeting of Independent Director which was held on December 5, 2016, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of executive director and non-executive directors. The same was discussed in the subsequent Nomination and Remuneration Committee Meeting and Board Meeting that followed the Meeting of Independent Directors.

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

20. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of Familiarization programme held during the year is available on the website of the Company. The introductory familiarization programme is undertaken as and when there is a new induction on the Board of the Company, which, *inter-alia*, covers the following:

a) Introduction and meeting with other Directors on the Board and the Senior Management;

b) Brief introduction about the business and nature of industry of the Company in which it operates;

c) Roles, rights and responsibilities of directors including independent Director(s);

d) Extant Committees of Board of Directors;

e) Meetings of Board and Committees, venue, generic dates and timings when such meetings are generally held and the Annual General Meeting of shareholders of the Company;

f) The Codes of Conduct which are in place and applicable to the Directors;

g) Remuneration payable to Directors pursuant to shareholders approval to that effect;

h) Liability Insurances taken by the Company to cover directors.

In addition to this, periodic 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 imparted to independent directors have been posted on the website of the Company on http://www.eclerx.com/Corporate%20Governance/Details%20of%20Familiarisation%20Programmes%20for%20Independent%20Directors.pdf

Support is provided for independent directors, if they choose to attend educational programs 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. The standard letter of appointment of Non–Executive Independent Directors of the Company containing the requisite details has been posted on the website on http://www.eclerx.com/Corporate%20Governance/Standard%20terms%20and%20conditions%20of%20appointment%20of%20Non-Executive%20Independent%20Directors.pdf

21. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. In the preparation of the annual accounts for the FY 2016-17, 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, 2017 and of the profit or loss of the Company for the year ended on that date;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

e. the Directors had laid down internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively;

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. BOARD MEETINGS

During the FY 2016-17, 6 (Six) Board Meetings were held as follows:

May 20, 2016	July 13, 2016	August 29, 2016
November 7, 2016	February 8, 2017	March 15, 2017

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

23. AUDIT COMMITTEE

Composition of Audit Committee:

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

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

24. REPORTING OF FRAUD BY THE STATUTORY AUDITORS

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

There were no such instances of fraud reported by the Statutory Auditor during the FY 2016-17.

25. NOMINATION AND REMUNERATION POLICY

In terms of provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and was approved by the Board of Directors vide its resolution dated July 31, 2014. The policy acts as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The aforesaid policy has also been posted on the Company's website on http://www.eclerx.com/Corporate%20Governance/Nomination%20and%20Remuneration%20policy.pdf

26. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Company has in place Whistle Blower Policy to encourage all employees or any other person dealing with the Company to disclose any wrongdoing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large. This policy, *inter-alia*, also sets forth (i) procedures for reporting of questionable auditing accounting, internal control and unjust enrichment matters and (ii) an investigative process of reported acts of wrongdoing and retaliation from employees, *inter-alia*, on a confidential and anonymous basis.

The aforesaid policy has also been posted on the Company's website on http://www.eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf

27. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Particulars	Amount (Rupees in Million)
Loan	Please refer Notes to Standalone Financial Statement - Note No. 8
Guarantee	Please refer Notes to Standalone Financial Statement - Note No.32(c)
Investment	Please refer Notes to Standalone Financial Statement - Note No. 5

28. FIRST-TIME ADOPTION OF IND AS

The Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2017, together with comparative information for the year ended March 31, 2016. Further details are as set out in the Note No. 40 and Note No. 42 respectively, under Standalone and Consolidated Financial Statements.

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

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

FORM AOC -2

Pursuant to clause (h) of subs section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

(Rupees in Million)

Name	Nature of Transaction	Relationship	Salient Terms	Duration	Date of Approval by the Board	Transactions during the year March 31, 2017	Outstanding Balance as at March 31, 2017
eClerx Limited	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014 / ongoing	450.72	101.62 Payable
	Expenses incurred by holding Company on behalf of subsidiary	N.A.				0.01	
	Amount received by holding Company on behalf of subsidiary	N.A.				4.48	
eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014 / ongoing	1,226.37	379.82 Payable
	Expenses incurred by holding Company on behalf of subsidiary		N.A.			1.26	
	Amount received by holding Company on behalf of subsidiary		N.A.			5.01	
	Amount received by subsidiary on behalf of Company		N.A.			8.76	
Anjan Malik	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	10.23	-
PD Mundhra	Remuneration	Executive Director	N.A.	5 years (April 1, 2015 to March 31, 2020)	October 30, 2014	13.80	-
	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	10.22	
V.K. Mundhra	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	0.04	-
Rohitash Gupta	Remuneration	Key Management Personnel	N.A.	Ongoing / FY 2014-15	Ongoing	11.52	-
	Dividend		N.A.		May 25, 2015	0.06	

FORM AOC -2

Pursuant to clause (h) of subs section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

(Rupees in Million)

Name	Nature of Transaction	Relationship	Salient Terms	Duration	Date of Approval by the Board	Transactions during the year March 31, 2017	Outstanding Balance as at March 31, 2017
Gaurav Tongia	Remuneration	Key Management Personnel	N.A.	Ongoing / FY 2014-15	Ongoing	3.96	-
	Dividend		N.A.		May 25, 2015	0.00	
Duncan Stratton & Company Limited	Rent and electricity	Common Director	Leave and License Agreement for a period 3 years	36 months (October 1, 2014 to September 30, 2017)	October 30, 2014	0.03	-
eClerx Private Limited	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014/ July 31, 2014 / ongoing	49.76	18.67 Payable
	Expenses incurred by holding company on behalf of subsidiary		N.A.			0.51	
	Expenses incurred by subsidiary on behalf of Company		N.A.			-	
Agilyst Inc.	Sales and Marketing Services	Step-down Subsidiary	Contract of Sales and Marketing	*Agilyst Inc. was merged with eClerx LLC during the year*	March 31, 2015	93.09	-
	ITES Services provided by the holding company		Contract of ITES Services			-	
CLX Europe S.P.A.	Services provided by the ultimate holding company to step down subsidiary	Step-down Subsidiary	Contract of ITES Services	Ongoing	May 25, 2015	58.54	7.20 Receivable
	Services provided by step down subsidiary to the ultimate holding Company		-	-		34.07	

Company has granted loan to eClerx Employee Welfare Trust, as per details set out in Note No. 33 under Consolidated Financial Statements. The Trust is managed by independent trustee and beneficiaries are employees of the Company and its subsidiaries.

During the year, Company carried out a Buyback of shares and some Directors and officers of the Company participated in the same, as per details set out in Note No. 35 under Consolidated Financial Statements.

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

Place: Mumbai
Date: May 30, 2017

V. K. Mundhra
Chairman

Pursuant to Related Party disclosure requirements under Part A of Schedule V of Listing Regulations, there are no loans and advances outstanding for the year ended March 31, 2017 from subsidiaries, associate companies or firms/companies in which directors are interested.

30. BUSINESS RESPONSIBILITY REPORT

As stipulated under 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

Information as required, *inter-alia*, under Section 134 of the Companies Act, 2013 is given in the Annexure IV forming part of 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 organisation by evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.

2. Enhancement in risk response decisions by identifying and selecting among alternative risk responses – risk avoidance, reduction, sharing and acceptance.

3. Reduction/elimination of operational surprises and losses by identifying potential events and establishing responses and reducing associated costs or losses.

4. Identification and management of multiple risks by facilitating effective response to the interrelated impacts and integrated responses to such risks.

5. Improvement in deployment of capital by providing robust risk information to the Management so as to effectively assess overall capital needs and prudently manage capital allocation.

The framework is periodically reviewed by senior management to ensure that the risks are identified, managed and mitigated. The same is also periodically reported to the Audit Committee and the Board of Directors. The Company has also laid down procedures to inform the Board of Directors about risk assessment and minimization procedures.

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.

The following is a summary of sexual harassment complaints received and disposed off during the FY 2016-17:

- No. of complaints received: Nil

- No. of complaints disposed off: Nil

34. CORPORATE SOCIAL RESPONSIBILITY

Brief outline on the CSR Policy

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

Our partner NGOs are selected for their projects on child rights and education which is one cause, that resonates broadly within the Company. At eClerx, we believe that money is only ever a small part of the solution and our ethos involve the entire 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 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. This year, we have touched more than 30,000 lives through our direct funding projects and employee engagement activities.

Employee Engagement

Employees are encouraged and 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 and CRY. eClerx matches contribution made by each employee.
- A 150 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.
- Annual Learn-and-Fun Day event for the students of schools sponsored through our corporate funding visit eClerx offices for a day.
- 'Joy of Giving' – activity where employees donate gifts requested by children of a supported NGO.
- Salary contribution drive towards Maharashtra drought relief through Dilasa Sanstha. An amount of Rs. 0.30 Million was collected and handed over to Dilasa.
- Online admission drive for rural children passing out of Std. X.
- Teacher training for our Muktangan funded school to help develop IT skills. Training on Microsoft Office Basics (how to choose and use the right application), Power Point (effective use of slides and incorporating pictures and sound), Effective folder and file management, Internet browsing and downloads.
- eClerx employees conducted a training on Vedic Maths (Maths made easy) for students of Class VII & Class VIII at Muktangan.
- Performances by kids from Muktangan at Mumbai, SAMPARC at Pune, and Shanti Niketan at Chandigarh for Fiesta, eDay.

Other Details:

a. Corporate Social Responsibility Policy:

The Company has in place Corporate Social Responsibility Policy.

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

CSR Policy of the Company is available on http://www.eclerx.com/Corporate%20Governance/Corporate%20Social%20Responsibility%20Policy.pdf

c. Composition of CSR Committee

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

d. Average Profit Before Tax for last 3 Financial Years

(Rupees in Million)

Financial Year	Net Profit
2013-14	3,090.23
2014-15	2,700.34
2015-16	3,911.02*
Total Profit	9,701.59
Average Profit	3,233.86

*Post amalgamation, not adjusted for IndAS

e. Prescribed CSR Expenditure (2% of the average profit as in item (d) above):

Rs. 64.68 Million

f. Details of CSR spent during the Financial Year

(a) Amount spent during the financial year: Rs. 64.73 Million

(b) Amount unspent if any: Nil

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

Sr. No.	CSR Projects or activities identified	Sector in which the project is covered	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or programs were undertaken	Amount outlay (budget) projects or programs 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, 2017 (Rupees in Million)	Direct or Implementing Agency
1	SAMPARC	Child Education	Other - Maharashtra	11.37	11.37	11.37	Through Implementing Agency
2	Magic Bus	Child Education	Other - Maharashtra	6.73	6.73	6.73	
3	LAHI (Lend a Hand India)	Child Education	Other - Maharashtra	6.60	6.60	6.60	
4	Sanskriti Samvardhan Mandal	Child Education	Other - Maharashtra	4.57	4.57	4.57	

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 programs were undertaken	Amount outlay (budget) projects or programs 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, 2017 (Rupees in Million)	Direct or Implementing Agency
5	Dilasa Sanstha	Drought relief	Other - Maharashtra	7.64	7.64	7.64	Through Implementing Agency
6	Muktangan	Child Education	Local Area - Mumbai	11.89	11.89	11.89	
7	Parivaar - Amar Bharat Vidyapeeth	Child Education	Other - Bengal	4.76	4.76	4.76	
8	Snehalaya	Child Education	Other - Maharashtra	2.00	2.00	2.00	
9	Antarang	Child Education	Local Area - Mumbai	1.15	1.15	1.15	
10	Kaveri Vanitha Sevashrama	Child Education	Other - Bangalore	1.50	1.50	1.50	
11	Jyoti Sarup Kanya Aasra	Child Education	Other - Chandigarh	1.57	1.57	1.57	
12	Magic Bus (SCMM)	Child Education	Other - Maharashtra	1.41	1.41	1.41	
13	LAHI (Lend a Hand India)(SCMM)	Child Education	Other - Maharashtra	0.83	0.83	0.83	
14	United Way (SCMM)	Child Education (Admin Exp)	Local Area - Mumbai	0.46	0.46	0.46	
15	K C Mahindra Trust A/c Nanhi Kali	Child Education	Local Area - Mumbai	1.20	0.37	0.37	
16	CRY	Child Education	Local Area - Mumbai	-	0.88	0.88	
17	Internal engagement events, and other Admin Expenses	Child Education (Admin Exp)	Other	1.00	0.30	0.30	Direct
18	PMNRF		Other - Delhi	0.00	0.70	0.70	
	Total			**64.68**	**64.73**	**64.73**	

Details of implementing Agency(ies):

eClerx Cares currently worked with 11 NGOs for who we had approved direct funding. Details of these NGOs and the projects are as below:

- SAMPARC: eClerx supports livelihood support for rural and tribal underprivileged children of interior villages of Maharashtra, school and hostel facilities for tribal and orphan students, sports training and vocational training support to rural school dropouts and higher education support for senior girls of SAMPARC.

- Sanskriti Samwardhan Mandal (SSM): eClerx supports
  - Strengthening Resources for Emerging Excellence (SREE), a project to Quality Education.
  - Project Sunrise, a project to carve rural athletes.
  - Vocational Training Center, with an objective to empower unemployed rural youths with vocational skills making them self-reliant.
  - Primary School upgrade – renovation and expansion of 50 year old school.

- Magic Bus: eClerx funds the Child Education Program by Magic Bus for children living in shanties in the Mumbai and Pune. The objective of this program is work on 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 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.

- Muktangan: eClerx wholly funds 1 school (pre-school to Std. IX) in the central part of Mumbai, covering children of defunct mill workers and odd job workers.

- Lend-A-Hand-India (LAHI): 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. On the basis of the success demonstrated in 50 schools supported by eClerx, the program is now launched in 500 schools across Maharashtra with the Central and State Governments.

- Amar Bharat Vidyapeeth (Parivaar): eClerx funds education expenses of students of the Parivaar school at Kolkata.

- Snehalaya: Project focusing on girl child and education in Ahmednagar. eClerx funds the education expenses of children in Snehalaya's Shelter Home, which has kids removed from red light areas of Ahmednagar.

- Antarang: Antarang equips economically vulnerable youth with core employability skills. eClerx supports the CareeReady Program for 17 to 25 year old youth. The CareeReady program has seen over 81% of the youth engaged positively in a career direction of their choice.

- Kaveri Vanitha Sevashrama (KVS) Bangalore: eClerx support to cover education expenses of orphan children.

- Jyoti Sarup Kanya Aasra Society (JSKAS), Chandigarh: Girls home aiming to help the destitute, and abandoned girls. Currently there are girls ranging from two year to twenty three year

old. eClerx has supported the development of a computer / communication lab.

- **Dilasa Sanstha:** A project outside of the central theme of eClerx Cares. Due to the extreme drought situation prevailing in Maharashtra over the last 3 years, this project was undertaken with a view to stop farmer suicides. eClerx adopted 9 villages in its effort towards drought eradication program through Natural Resource Management (NRM) with community participation. Activities conducted related to water and land management , Pasture Development, Horticulture, Soil Conservation, Watershed Development, Creation of self-help groups, Implementation of income generating projects, Irrigation through Dam Canals, etc.

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

PD Mundhra	Deepa Kapoor
Executive Director	Chairperson
	CSR Committee

Mumbai
May 30, 2017

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

35. AWARDS AND ACCOLADES

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

- won the Golden Peacock Awards, 2017 for Business Excellence
- won the NetApp Innovation Awards, 2017
- eClerx's internal SIEM (Security Incident and Event Management) application 'eVigilPRO' has been awarded as the 'Most Admired Data Science Project of the Year' at Cypher 2016, organized by Analytics India Magazine
- eVigilPRO was recognized by DataQuest Vertical Warrior Award 2016
- eVigilPRO awarded with 'Use of Technology for Operations Excellence' at Asia BPO Summit 2016
- won the MAKE (Most Admired Knowledge Enterprise) Asia Awards, 2016
- won Awards in Five Categories at The World Quality Congress 2016
- won both Gold and Silver awards at the ASQ-SATEA (American Society for Quality-South Asia Team Excellence Award) 2016
- eClerx won second runner-up award in the Best Improvement category at the 2016 Qimpro convention in Mumbai

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: 1:84; Non-Executive Non Independent Director: NA; Non-Executive Independent Director: 1:6.13 (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: 10%, Chief Financial Officer: 12% and Company Secretary: 11.3%;
- The percentage increase in the median remuneration of employees in the financial year: 1.71%;
- The global headcount of the Company is more than 8,800.

- 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: 7.5% 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;
- Salary details of top ten employees in terms of remuneration drawn and those employed throughout the financial year and who were in receipt of remuneration, in the aggregate, not less than Rs. 102 Lakhs are given in the Annexure-V forming part of this report;
- Salary details of employees employed for part of the financial year and who were in receipt of remuneration for any part of the year which, in the aggregate, was not less than Rs. 8.5 Lakhs per month are given in the Annexure-V forming part of this report;
- The Company affirms that the remuneration is as per the remuneration policy of the Company.

Managerial Remuneration details:

<table>
<tr><th>Particulars</th><th>Executive Director</th><th>Non-Executive & Independent Director</th><th>Non-Executive Director</th></tr>
<tr><td>All elements of remuneration package such as salary, benefits, stock options, pension etc. of all directors</td><td>Annual Gross Salary: Within the range between Rs. 13,800,000 to Rs. 27,600,000 per annum with annual increments effective 1st April each year as may be decided by the Board, based on merits and taking into account the Company's performance for the year. The benefits, perquisites and allowances will be determined by the Board of Directors from time to time.</td><td rowspan="2">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 Rs 1.80 Million p.a. Remuneration will be paid in proportion to the term served in the Company, during the year.</td><td>Nil</td></tr>
<tr><td>Details of fixed component and performance linked incentives along with performance criteria</td><td>Basic Salary: Rs 13.80 Million p.a.
Annual Performance Bonus: Rs 13.80 Million
The actual entitlement out of Annual Performance Bonus will be decided by the Board of Directors and will be merit based and will 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</td><td>Nil</td></tr>
</table>

Particulars	Executive Director	Non-Executive & Independent Director	Non-Executive Director
Service contract, notice period, severance fees	The tenure will be subject to termination by three (3) months prior notice in writing on either side, and all other terms are as per the Company policy.	Pursuant to the provisions of the Companies Act, 2013 and other relevant regulations	
Stock option details	NA	NA	NA

37. EMPLOYEES' STOCK OPTION/PLAN

Pursuant to the applicable requirements of the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI guidelines') and SEBI (Share Based Employee Benefits) Regulations 2014 ('the SEBI regulations'), your Company had framed and instituted Employee Stock Option Plan 2011 ('ESOP 2011') and 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 managed by independent trustee and is authorized for secondary market acquisition. During the year under review, ESOP Trust has bought about 75,113 shares from open market.

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 disclosures in compliance with SEBI (Share Based Employee Benefits) Regulations 2014 are available on the website of the Company on http://www.eclerx.com/Pages/Corp_Investors_Financials.aspx

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 dilution under the said Schemes /Plans for fresh grants /options not granted /subsequently forfeited. The vesting of options continues under ESOP 2011 as per the vesting schedule.

38. HUMAN RESOURCE MANAGEMENT

The Company recognizes 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 (SEBI) has prescribed certain corporate governance standards vide regulations 24 and 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Directors reaffirm their commitments to these standards and a detailed Report on Corporate Governance together with the Auditors' Certificate on its compliance is annexed hereto.

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 ('the Act').

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

Your Company sincerely appreciates shareholders who have contributed towards furtherance of Green Initiative. We further appeal to other shareholders to contribute towards furtherance of Green Initiative by opting for electronic communication.

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

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

V. K. Mundhra
Chairman

Place: Mumbai
Date: May 30, 2017

ANNEXURE-I

Form AOC -1
Statement pursuant to Section 129 (3) of the Companies Act, 2013, and the rules made thereunder, relating to subsidiary and associate companies for the Financial Year ended on Marrch 31, 2017

Part A : Subsidiaries

(Rupees in Million)

Name of Subsidiary	eClerx Limited (U.K.)	eClerx LLC (U.S.A.)	eClerx Private Limited (Singapore)	eClerx Canada Limited	eClerx Investments (U.K.) Limited	CLX Europe S.P.A (Italy)	Sintetik S.R.L. (Italy)	CLX Europe Media Solution GmbH (Germany)	CLX Europe Media Solution Limited (U.K.)
The date since when subsidiary was acquired/ incorporated	April 1, 2007	April 1, 2007	December 29, 2009	September 23, 2016	March 14, 2015	April 22, 2015	April 22, 2015	April 22, 2015	April 22, 2015
Reporting Financial Period ended	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017	March 31, 2017
Reporting Currency	GBP	USD	SGD	CAD	INR	EUR	EUR	EUR	GBP
Exchange Rate on 31st March 2017	81.2948	64.8589	46.4321	48.6925	-	69.3840	69.3840	69.3840	81.2948
Issued and Subscribed share capital	23.30	75.19	4.25	2.43	1,808.64	1,617.46	0.69	35.48	-
Reserves and Surplus	124.75	557.15	29.79	(0.01)	(59.33)	(337.08)	1.60	125.60	71.35
Total Assets	201.55	772.65	41.32	2.42	1,785.41	2,295.70	24.82	182.90	179.81
Total Liabilities	53.50	140.31	7.28	-	36.10	1,015.32	22.52	21.83	108.47
Investment other than investment in subsidiaries	-	-	-	-	-	-	-	-	-
Turnover	482.15	1,406.42	80.90	-	-	1,276.28	44.43	171.27	413.36
Profit/(Loss) before Tax	27.11	79.51	12.40	(0.01)	(37.52)	52.37	3.45	6.83	(1.66)
Provision for Tax	5.87	8.57	0.32	-	11.15	52.37	1.33	2.51	(0.66)
Profit after tax	21.24	70.94	12.08	(0.01)	(48.67)	(0.00)	2.11	4.32	(1.01)
Proposed Dividend	-	-	-	-	-	-	-	-	-
Holding Company's interest(in equity shares)*	100%	100%	100%	100%	100%	100%	100%	100%	100%
Shares held by the Holding Company in the subsidiary	100	100	1	50,000	^^18,686,112	35,885,448	10,000	5,11,292	2

^^ Out of which 13,434,888 are Optionally Convertible Redeemable Preference Shares

^^^ Out of which 1,499.40 are Optionally Convertible Redeemable Preference Shares

* Refer Note 30 in Consolidated Financial Statements for details of Holding Company.

Part B : Associate Companies

(Rupees in Million)

	Part B : Associate Companies	
	Name of Associate:	CLX Thai Co. Limited (Thailand)
1	Latest audited Balance Sheet Date	March 31, 2017
2	Date on which the associate company was associated or acquired	April 22, 2015
3	Shares of Associate held by the company on the year end	
	- Number	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 seperately
6	Networth attributable to Shareholding as per latest audited Balance Sheet	9.47
7	Profit/ Loss for the year	(2.00)
i.	Considered in consolidation	(2.00)
ii.	Not considered in consolidation	0

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

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

ANNEXURE II

Form No. MGT-9
Extract of Annual Return

As on the financial year ended on March 31, 2017, of eClerx Services Limited

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L72200MH2000PLC125319
(ii)	Registration Date	March 24, 2000
(iii)	Name of the Company	eClerx Services Limited
(iv)	Category Sub-Category of the Company	Public Company Company having Share Capital
(v)	Address of the Registered office and contact details	Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai – 400 023, Maharashtra, India. Ph. No.: +91 (22) 6614 8301 Fax No.: +91 (22) 6614 8655 Email : investor@eclerx.com Website: www.eClerx.com
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 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 (U.S.A.)	286 Madison Avenue, 14th floor, New York, NY 10017	NA	Wholly owned subsidiary	100%	Section 2 (87)
2.	eClerx Limited (U.K.)	1 Dover Street, 1st floor, London, W1S 4LA, United Kingdom	NA		100%	
3.	eClerx Private Limited (Singapore)	1 North Bridge Road #01/02 & #20-01 High Street Centre, Singapore 179094	NA		100%	
4.	eClerx Investments (U.K.) Limited (U.K.)	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		
6.	CLX Europe S.P.A. (Italy)	Via dell'Artigianato, 8A 37135 Verona - Italy	NA			
7.	CLA Europe Media Solution GmbH (Germany)	Barmbeker Str.8, 22303 Hamburg - DE	NA			
8.	Sintetik S.R.L. (Italy)	Viale Toscana 13/B 20136 Milano - Italy	NA			
9.	CLX Thai Co. Limited (Thailand)	Chaofa Rd, Palai Soi 2 44 Moo Chalong Sub-District Muang Phuket - TH	NA	Associate Company		Section 2 (6)
10.	CLX Europe Media Solution Limited (U.K.)	12-14 Berry Street London EC1V 0AU	NA	Step down Subsidiary		Section 2 (87)

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

i. Category-Wise Share Holding

Sr. No.	Category of Shareholders	Number of Shares held at the beginning of the year i.e. April 1, 2016				Number of Shares held at the end of the year i.e. March 31, 2017				% 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	10,285,914	0	10,285,914	25.22	10,029,556	0	10,029,556	25.21	(0.01)
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)	**10,285,914**	**0**	**10,285,914**	**25.22**	**10,029,556**	**0**	**10,029,556**	**25.21**	**(0.01)**
2.	Foreign									
a.	NRI – Individuals	10,262,243	0	10,262,243	25.16	9,974,701	0	9,974,701	25.07	(0.09)
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)	**10,262,243**	**0**	**10,262,243**	**25.16**	**9,974,701**	**0**	**9,974,701**	**25.07**	**(0.09)**
	Total Shareholding of Promoter A = (A) (1) + (A) (2)	**20,548,157**	**0**	**20,548,157**	**50.38**	**20,004,257**	**0**	**20,004,257**	**50.28**	**(0.10)**
B.	PUBLIC SHAREHOLDING									
I.	Institutions									
a.	Mutual Funds/UTI	57,27,127	0	57,27,127	14.04	4,578,768	0	4,578,768	11.51	(2.53)
b.	Banks / Financial Institutions	11,290	0	11,290	0.03	123,816	0	123,816	0.31	0.28
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	11,076,539	0	11,076,539	27.16	12,224,362	0	12,224,362	30.73	3.57

Sr. No.	Category of Shareholders	Number of Shares held at the beginning of the year i.e. April 1, 2016				Number of Shares held at the end of the year i.e. March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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)	16,814,956	0	16,814,956	41.22	16,926,946	0	16,926,946	42.55	1.33
	Non - Institutions									
a.	**Bodies Corporate**									
I.	Indian	693,509	1	693,510	1.70	556,079	0	556,079	1.40	(0.30)
II.	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b.	**Individual**									
I.	Individual shareholders holding nominal share capital upto Rs. 1 Lakh	1,419,372	66	1,419,438	3.48	1,519,200	66	1,519,266	3.82	0.34
II.	Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	1,162,313		1,162,313	2.85	513,999	0	513,999	1.29	(1.56)
c.	**Others**									
I.	Non Resident Indians	113,063	0	113,063	0.28	84,963	0	84,963	0.21	(0.07)
II.	Clearing Members	31,981	0	31,981	0.08	33,731	0	33,731	0.08	0.00
III.	Trusts	2,216	0	2,216	0.01	43,50		4,350	0.01	0.00
IV.	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
V.	NBFC	3,052	0	3,052	0.01	856	0	856	0.00	(0.01)
VI.	NRI-Non Repatriation	0	0	0	0.00	64,611	0	64,611	0.16	0.16
VII.	ESOP Trust	0	0	0	0.00	75,113	0	75,113	0.19	0.19
	Sub-total (B) (2)	**3,425,506**	**67**	**3,425,573**	**8.40**	**2,852,902**	**66**	**2,852,968**	**7.17**	**(1.23)**
	Total Public Shareholding (B)=(B) (1)+ (B) (2)	**20,240,462**	**67**	**20,240,529**	**49.62**	**19,779,848**	**66**	**19,779,914**	**49.72**	**0.10**
	Total (A+B)	**40,788,619**	**67**	**40,788,686**	**100.00**	**39,784,105**	**66**	**39,784,171**	**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)	**40,788,619**	**67**	**40,788,686**	**100.00**	**39,784,105**	**66**	**39,784,171**	**100.00**	**0.00**

Note: During the year under review, the Company bought back 1,170,000 equity shares of Rs. 10/- each.

ii. Shareholding of Promoters

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year i.e. April 1, 2016			Share holding at the end of the year i.e. March 31, 2017			% 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	10,229,666	25.08	0.00	9,974,701	25.07	0.00	(0.01)
2.	PD Mundhra	10,223,816	25.07	0.00	9,968,997	25.06	0.00	(0.01)
3.	V.K. Mundhra	43,049	0.11	0.00	41,977	0.11	0.00	0.00
4.	Pawan Malik	32,577	0.08	0.00	0	0.00	0.00	(0.08)
5.	Supriya Modi	18,749	0.05	0.00	18,282	0.05	0.00	0.00
6.	Shweta Mundhra	300	0.00	0.00	300	0.00	0.00	0.00
	Total	**20,548,157**	**50.38**	**0.00**	**20,004,257**	**50.28**	**0.00**	**(0.10)**

iii. Changes in Promoters Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year i.e. April 1, 2016		Increase/ Decrease	Cumulative Shareholding at the end of the year i.e. March 31, 2017	
		No. of shares	% of total shares of the Company	No. of Shares	No. of shares	% of total shares of the Company
a)	Anjan Malik	10,229,666	25.08	-	-	-
	Buyback of shares on 19/12/2016	-	-	(254,965)	9,974,701	25.07
b)	PD Mundhra	10,223,816	25.07	-	-	-
	Buyback of shares on 19/12/2016	-	-	(254,819)	9,968,997	25.06
c)	V.K. Mundhra	43,049	0.11	-	-	-
	Buyback of shares on 19/12/2016	-	-	(1,072)	41,977	0.11
d)	Supriya Modi	18,749	0.05	-	-	-
	Buyback of shares on 19/12/2016	-	-	(467)	18,282	0.05
e)	Shweta Mundhra	300	0.00	-	300	-
f)	Pawan Malik	32,577	0.08	-	-	-
	Sale of Shares on 30/06/2016	-	-	(5,299)	-	-
	Sale of Shares during 13/02/2017 to 15/02/2017	-	-	(15,000)	-	-
	Sale of Shares during 1/03/2017 to 16/03/2017	-	-	(12,278)	-	-

iv. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and holders of GDRS and ADRS)

Sr. No.	Particulars	Shareholding at the beginning of the year i.e. April 1, 2016*		Cumulative Shareholding at the end of the year i.e. March 31, 2017*	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Matthews India Fund	3,059,957	7.50	2,701,931	6.79
2.	Fidelity Puritan Trust	1,800,000	4.41	1,791,278	4.50
3.	Pinebridge Investments GF Mauritius Limited	-	-	1,162,087	2.92
4.	Fiam Group Trust For Employee Benefit Plans – Fiam	543,361	1.33	873,564	2.20
5.	SBI Magnum Balanced Fund	831,152	2.04	871,433	2.19
6.	HDFC Trustee Company Limited	801,836	1.97	689,129	1.73
7.	Steadview Capital Mauritius Limited	-	-	618,744	1.56
8.	UTI Equity Fund	581,447	1.43	609,793	1.53
9.	Franklin Templeton Mutual Fund	698,450	1.71	583,422	1.47
10.	Franklin India Smaller Companies Fund	582,409	1.43	565,897	1.42

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

v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Details of each of the Directors and KMP including Benpos Date	Shareholding at the beginning of the year i.e. April 01, 2016		Cumulative Shareholding at the End of the year i.e. March 31, 2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	V.K. Mundhra - Chairman	43,049	0.11	-	-
	Buyback of shares on 19/12/2016	(1,072)	(0.00)	41,977	0.11
2.	PD Mundhra - Executive Director	10,223,816	25.07	-	-
	Buyback of shares on 19/12/2016	(254,819)	(0.01)	9,968,997	25.06
3.	Anjan Malik - Non Executive Director	10,229,666	25.08	-	-
	Buyback of shares on 19/12/2016	(254,965)	(0.01)	9,974,701	25.07
4.	Pradeep Kapoor - Non Executive Director	20,181	0.05	-	-
	Sale of Shares on 10/06/2016	(3,000)	(0.01)	-	-
	Sale of Shares on 15/06/2016	(2,141)	(0.01)	-	-

Sr. No.	Details of each of the Directors and KMP including Benpos Date	Shareholding at the beginning of the year i.e. April 01, 2016		Cumulative Shareholding at the End of the year i.e. March 31, 2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Buyback of shares on 19/12/2016	(477)	(0.00)	-	-
	Sale of Shares on 28/02/2017	(2,460)	(0.01)	-	-
	Sale of Shares on 01/03/2017	(3,040)	(0.01)	-	-
	Sale of Shares on 02/03/2017	(25)	(0.00)	-	-
	Sale of Shares on 14/03/2017	(1,475)	(0.00)	7,563	0.02
5.	Anish Ghoshal - Non Executive Independent Director	2	0.00	2	0.00
6.	Biren Gabhawala - Non Executive Independent Director	6,580	0.02	-	-
	Buyback of shares on 19/12/2016	(166)	(0.00)	6,414	0.02
7.	Vikram Limaye - Non Executive Independent Director	-	-	-	-
8.	Alok Goyal - Non Executive Independent Director	276	0.00	-	-
	Sale of shares on 01/12/2016	(276)	0.00	-	-
9.	Deepa Kapoor - Non Executive Independent Director	-	-	-	-
10.	Shailesh Kekre - Non Executive Independent Director	-	-	-	-
11.	Rohitash Gupta - Chief Financial Officer (KMP)	65,986	0.16	-	-
	Sale of shares on 08/06/2016	(5,986)	(0.02)	-	-
	Sale of shares on 19/09/2016 to 20/09/2016	(2,277)	(0.01)	-	-
	Buyback of shares on 19/12/2016	(1,778)	(0.00)	-	-
	Sale of shares on 14/02/2017 to 15/02/2017	(5,084)	(0.01)	-	-
	Sale of shares on 07/03/2017 to 09/03/2017	(14,908)	(0.04)	-	-
	Sale of shares on 10/03/2017 to 14/03/2017	(14,655)	(0.04)	-	-
	Sale of shares on 15/03/2017 to 17/03/2017	(11,298)	(0.03)	-	-
	Sale of shares on 21/03/2017	(1,615)	(0.00)	-	-
	Sale of shares on 24/03/2017 to 31/03/2017	(8,385)	(0.02)	-	-
12.	Gaurav Tongia - Company Secretary (KMP)	283	0.00	-	-
	Allotment of ESOP shares on August 25, 2016	266	0.00	549	0.00

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

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i.	Principal Amount				
ii.	Interest due but not paid				
iii.	Interest accrued but not due				
	Total (i+ii+iii)				
	Change in Indebtedness during the financial year				
	• Addition		NIL		
	• Reduction				
	Net Change				
	Indebtedness at the end of the financial year				
i.	Principal Amount				
ii.	Interest due but not paid				
iii.	Interest accrued but not due				
	Total (i+ii+iii)				

VI. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER FOR FY 2016-17

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and/or Manager	Total Amount
		PD Mundhra	
	Gross Salary		
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.80	13.80
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		
	Stock Option	-	-
	Sweat Equity	-	-
	Commission	-	-
a.	as % of profit	-	-
b.	Others – Annual Performance Bonus		
	Others, please specify	-	-
	Total (A)	**13.80**	**13.80**
	Ceiling as per the Act	Within 5% of the Net Profit	

VII. REMUNERATION TO NON – EXECUTIVE INDEPENDENT DIRECTORS:

(Rupees in Million)

Sr. No	Particulars of Remuneration	Pradeep Kapoor	Anish Ghoshal	Vikram Limaye	Biren Gabhawala	Alok Goyal	Deepa Kapoor	Shailesh Kekre	Total Amount
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	-	-	-	-	-	-	-	-
	b. Others specify (Fixed amount for the year)	1.65	1.65	1.65	1.65	1.65	1.65	0.08	9.98
5.	Others – Sitting Fees	0.14	0.20	0.14	0.20	0.10	0.18	0.02	0.99
	Total	**1.79**	**1.85**	**1.79**	**1.85**	**1.75**	**1.83**	**0.10**	**10.96**

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 Gaurav Tongia	
1.	Gross Salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.52	3.66	15.18
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961		Please refer (2) below	
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option (gain upon exercise of stock option)	-	0.30	0.30
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
a.	as % of profit	-	-	-
b.	Others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	**11.52**	**3.96**	**15.48**

IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

(Rupees in Million)

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / Court]	Appea lmade, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty			Not Applicable		
Punishment					
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

ANNEXURE III

Secretarial Audit Report

Form No. MR-3
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

SECRETARIAL AUDIT REPORT
[Pursuant to section 204(1) of the Companies Act, 2013 and the 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 authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, 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, 2017 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;

(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, 2009 (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 (Buyback of Securities) Regulations, 1998 ;

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

a) Secretarial Standards issued by the Institute of Company Secretaries of India;

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

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 during the period under review were carried out in compliance with the provisions of the Act.

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

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.

i. The High Court of Bombay, at its hearing held on July 01, 2016, approved the Scheme of Amalgamation between Agilyst Consulting Private Limited and eClerx Services Limited and their respective shareholders with effect from the appointed date of April 01, 2015, which became effective from August 22, 2016, pursuant to the provision of sections 391 read with section 394 and any other applicable provisions of the Companies Act, 1956 (including any statutory modifications, re-enactment thereof for the time being in force and the provisions of the Companies Act, 2013). The Board took note of the same in the meeting dated August 29, 2016.

ii. Pursuant to the clause 14 of the Scheme of Amalgamation, the clause 5 of the Memorandum of the Association stand modified and reclassified as follows:

"The authorized share capital of the Company is Rs. 50,01,00,000 (Rupees Fifty Crore and One Lakhs Only) divided into 5,00,10,000 (Five Crore and Ten Thousand) Equity Shares of Rs. 10 (Rupees Ten) each."

iii. The Board of Directors at its meeting held on August 29, 2016 accorded its consent for conducting a postal ballot to seek shareholders' approval for buyback at a price not exceeding Rs. 2200/- (Rupees Two Thousand Two Hundred Only) ("maximum buy back price") per Equity share payable in cash for the total consideration not exceeding Rs. 2340 Million (Rupees Two Thousand Three Hundred and Forty Million Only) excluding transaction cost which is within 25% of the aggregate of the fully paid up equity capital and free reserves through the "tender offer route" as prescribed under the SEBI (Buy Back of Securities) Regulation, 1998.

Post the shareholders' approval through postal ballot, the results of which was declared on October 14, 2016, the Buy Back Committee fixed the final price at Rs. 2,000/- per share. The Buy Back offer opened on Monday November 28, 2016 and closed on December 9, 2016. Pursuant to the regulation 19 (7) of the SEBI (Buy Back of Securities) Regulation, 1998, the company made the Post Buy Back Public Announcement on December 20, 2016 for the buy back. The same was published in the newspapers on December 21, 2016.

iv. Agilyst Inc. (USA - Philadelphia), step down subsidiary of the Company, having registered office in USA merged with eClerx LLC (USA – New York), wholly owned subsidiary of the Company registered at USA, effective from January 1, 2017.

eClerx Investments Ltd, BVI, subsidiary of the Company, was wound up on March 28, 2017. The aforesaid winding up was carried out for maintaining lean organization structure and exercise better administrative control.

v. The Nomination and remuneration committee at its meeting held on May 20, 2016 approved grant of options to the employees of the Company and its subsidiaries under the ESOP schemes 2015 totaling 324,162 options at an exercise price of Rs. 1379.15 per option

vi. During the year, the Company has allotted 39,466 and 126,019 equity shares under ESOP 2008 scheme and ESOP 2011 scheme respectively to the eligible employees of the Company.

vii. Pursuant to section 124 of the Companies Act, 2013 and the rules made there under and any other applicable provisions, the unclaimed dividend of Rs. 203,470 and Rs. 149,678, being Unclaimed Dividend(s)for the financial year(s) 2008-09 and 2009-10 respectively, was transferred to the Investor Education Protection Fund account.

For Mehta & Mehta,

Company Secretaries

(ICSI Unique Code P1996MH007500)

Dipti Mehta

Partner

FCS No: 3667

CP No. : 3202

Place : Mumbai
Date : May 30, 2017

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

Secretarial Audit Report

To,
eClerx Services Limited
Sonawalla 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)

Dipti Mehta
Partner
FCS No: 3667
CP No. : 3202

Place : Mumbai
Date : May 30, 2017

ANNEXURE IV

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

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

I. CONSERVATION OF ENERGY

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

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

a. LED lights installation in office area: Benefit is around 50 to 60% saving in energy cost for lighting as compared to conventional lights. The estimated cost for the same was about Rs. 2.3 Million.

b. Variable Air Volume (VAV) control system installation in all closed room for effective use of HVAC & Energy: VAV helps to reduce consumption as Air Conditioners are auto switched-off or auto controlled as per the cooling requirements. The estimated cost for the same was about Rs. 0.50 Million.

c. Motion Sensors for all meeting room lighting: When meeting rooms are not occupied the lights will be auto switched off resulting in electrical saving. The estimated cost for the same was about Rs. 0.70 Million.

d. Energy efficient AC selection for all new projects: Energy Star rating Air Conditioners used in data centers and hub rooms as backup to Floor Air Conditioning system. The estimated cost for the same was about Rs. 1.1 Million.

II. 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 which helps with automation of repetitive steps in the processes that we execute for our clients. The team is now focussed on working in the area of cognitive automation and is partnering with our clients to execute use cases in machine learning. The Company has also gone ahead and 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)

	2016-17	2015-16
Total Foreign Exchange Earnings	11,257.19	10,971.02
Foreign Exchange Used	1,925.59	1,851.58

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

For and on behalf of the Board of Directors

V. K. Mundhra
Chairman

Place: Mumbai
Date: May 30, 2017

ANNEXURE V

Salary details of Top Ten employee(s) and those who were employed during the Financial Year 2016-17 and who were in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 102 Lakhs p.a. / Rs. 8.5 Lakhs p.m.

Name of Employee(s)	Designation	Remuneration Received (including ESOP gain, Leave Encashment, Bonus, if any) (Rupees in Lakhs)	Nature of Employment	Qualification	Total Experience	Date of Commencement of Employment	Age	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company (%)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
Hoshi Mistry	Principal	177.61	Permanent	M.Tech	17	8-Apr-02	45	Emageware	0.073	
Sanjay Kukreja	Principal	192.08	Permanent	B.Tech, M.B.A	20	5-Sep-11	44	Accenture	0.022	
Chitra Padmanabhan	Principal	144.99	Permanent	M.B.A	26	5-Sep-12	47	Future Group	0.017	
Amit Bakshi	Principal	153.46	Permanent	B.Tech, M.B.A	28	24-Nov-11	59	Tech Mahindra Ltd	-	
Rohitash Gupta	CFO	115.20	Permanent	M.B.A	20	4-Nov-03	43	SISL	0.019	
Pravin Borade	Associate Principal	66.05	Permanent (Employed for the part of the year)	M.S	16	22-Feb-10	39	Persistent Systems	0.026	
Mayank Tyagi	Associate Principal	68.79	Permanent (Employed for the part of the year)	M.B.A	12	12-Aug-09	38	Bharti Airtel	0.001	N.A.
Prashant Chaddah	Associate Principal	107.30	Permanent	B.Tech, M.B.A	14	13-Aug-08	37	Motilal oswal	0.004	
Nigel Heredia	Associate Principal	101.92	Permanent	M.Tech, M.B.A	25	3-Sep-12	48	Indian navy	0.011	
Srinivasan Nadadhur	Associate Principal	98.94	Permanent	B.E, P.G.D.M	18	1-Dec-09	42	iNautix Technologies	0.042	
Jagjit Singh	Associate Principal	104.04	Permanent	B.E	18	19-Jul-10	40	HP	-	
Devidas Iyer	Associate Principal	97.09	Permanent	B.Com, P.G.D.M	40	16-Apr-12	63	TCS eServe	0.019	
Shyam Iyengar	Associate Principal	96.92	Permanent	B.E, P.G.D.M	16	28-Mar-11	40	Cognizant	0.008	

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Listing Regulation 34]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. 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: Information Technology Enabled Services; NIC Code Group: 631; NIC Code Class: 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	
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)

S. No.	Particulars	2016-17	2015-16
1	Paid up Capital (Rs.)	397.84	407.89
2	Total Turnover (Rs.)	11,905.01	11,448.15
3	Total profit after taxes (Rs.)	3,311.48	2,948.50
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.00	2.01
5	List of activities in which expenditure in 4 above has been incurred:		
a.	Child Welfare	57.09	46.03
b.	Drought Relief	7.64	5.65

SECTION C: OTHER DETAILS

S. 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(s)	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/Director responsible for implementation of the BR policy/policies

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

(b) Details of the BR head

S. 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, as below:

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 Y/N)

S. 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	Y	Y	Y	Y	NA	Y	Y	Y
		Wherever mandated by the applicable laws, rules and regulations, the policies have been approved by the Board and signed by the Executive Director.								
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 links 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
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company has 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.

No.	Name of the Policy(ies)	Website Link
P1	Whistle Blower Policy and Vigil Mechanism	http://eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	http://eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf
	Policy for determining material events or information and its disclosures	http://eclerx.com/Corporate%20Governance/Policy%20on%20disclosure%20of%20material%20events.pdf
P2	Information Security Policy	Available on the Intranet
P3	Whistle Blower Policy and Vigil Mechanism	http://eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf
	Environment, Health & Safety Manual HR Policies	Available on the Intranet
P4	Whistle Blower Policy and Vigil Mechanism	http://eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	http://eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf
P5	Environment, Health & Safety Manual	Available in the Intranet
	Code of Conduct for Board of Directors and Senior Managerial Personnel	http://eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf
P6	Environment, Health & Safety Manual	Available in the Intranet
P7	Whistle Blower Policy and Vigil Mechanism	http://eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	http://eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf
	Corporate Social Responsibility Policy	http://eclerx.com/Corporate%20Governance/Corporate%20Social%20Responsibility%20Policy.pdf
P8	HR Employee Handbook	Available in the Intranet
	Whistle Blower Policy and Vigil Mechanism	http://eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf
	Code of Conduct for Board of Directors	http://eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf
	Corporate Social Responsibility Policy	http://eclerx.com/Corporate%20Governance/Corporate%20Social%20Responsibility%20Policy.pdf
P9	Information Security Policies and Data Privacy policies	Available in 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

S. 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

S. 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	This is the first year of implementation and it is proposed to have an annual review of BR performance.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the first year of implementation and the annual BR Report is being published from this year onwards on the website, as part of the Annual report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

S. No.	Particulars	
(a)	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 for Directors and Senior Managerial Personnel, covers all Directors and senior employees. • The scope of the Code can be extended to such persons as Board of Directors may deem fit. • The Whistle Blower Policy and Vigil Mechanism covers and extends to subsidiaries, Vendors, Suppliers, Contractors, NGOs and Others.
(b)	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, 2017, no complaint is pending against the Company by any stakeholder viz. clients, employees, investors, Vendors, alliance partners, government/regulatory/local authorities. The Company received one complaint under the Whistle Blower mechanism, which was accordingly attended to and closed as on March 31, 2017.

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

S. 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, where in Company supports on check processing for a customer. • Computer Graphics Imagery: Every contract which Company caters under this head goes on to save natural resources which may otherwise be spent on physical photography, carbon emission, energy consumption, etc. • Avoidable Truck Roll: Company is among pioneers of this process wherein it helps minimize 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):	• Since, the Company operates in ITES, hence no products are offered as such.
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.	• Company uses GPS enabled mobile application, to optimize the route for employee transportation vehicles. • Company has taken initiatives to move from conventional lighting to LED, which is more energy efficient. Similar process is followed in UPS Room(s) as well, to enhance energy efficiency • Thin-Clients are used instead of desktops, to the extent possible, across facilities, so as to achieve energy efficiency. • Managed Print Services with the help of Access Card help 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 digitizing 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 Manual guides Company's efforts on optimum and responsible use of resources, recycling, reuse.

Principle 3: Businesses should promote the wellbeing of all employees

<table>
<tr><th>S. No.</th><th>Particulars</th><th colspan="3"></th></tr>
<tr><td>1</td><td>Please indicate the Total number of employees</td><td colspan="3" rowspan="2">Global headcount is more than 8,800.</td></tr>
<tr><td>2</td><td>Please indicate the Total number of employees hired on temporary/contractual/casual basis</td></tr>
<tr><td>3</td><td>Please indicate the Number of permanent women employees</td><td colspan="3">More than 2,514</td></tr>
<tr><td>4</td><td>Please indicate the Number of permanent employees with disabilities</td><td colspan="3">NA</td></tr>
<tr><td>5</td><td>Do you have an employee association that is recognized by management</td><td colspan="3">Company does not have an employee association.</td></tr>
<tr><td>6</td><td>What percentage of your permanent employees is members of this recognized employee association?</td><td colspan="3">Company does not have an employee association, hence not applicable</td></tr>
<tr><td>7</td><td>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.</td><td colspan="3">No such complaints were received during the year ended March 31, 2017.

<table>
<tr><th>Category</th><th>No. of complaints filed during the financial year</th><th>No. of complaints pending as at the end of the financial year</th></tr>
<tr><td>Child labour/forced labour/involuntary labour</td><td>0</td><td>0</td></tr>
<tr><td>Sexual harassment</td><td>0</td><td>0</td></tr>
<tr><td>Discriminatory employment</td><td>0</td><td>0</td></tr>
</table></td></tr>
<tr><td>8</td><td>What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?</td><td colspan="3">• Training programs cover all employees irrespective of race, gender or physical disability.
• During the year, 72% of the employees participated in safety training and evacuation drills.
• For details on initiatives on skill upgradation, refer elaboration provided under Principle 8 below.</td></tr>
</table>

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

S. 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. 338 vendors, 178 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

S. 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?	• Company has implemented policies that cover various aspects of human rights specific to its employees as well as redressal mechanisms. • Company has included pertinent clauses related to human rights in its agreements with vendors, including their adherence to labour laws and employee rights.
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 during the year under review.

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

S. 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	• Company has taken the initiative of Sustainable Procurement check in the Vendor Evaluation form which shows the level of organization's commitment to and support of green, responsible, and local business. • Policy extends to suppliers, contractors, NGOs and others.
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	Company operates primarily from Special Economic Zone (SEZ). Quality certifications are in line with relevant regulations and best practices being followed, thus addressing many of these causes.
3	Does the company identify and assess potential environmental risks? Y/N	Yes, the Company identifies and assesses potential environmental risks and some of the initiatives are as elaborated below: • Life cycle analyses have demonstrated that energy efficient electric hand dryers use less energy and fewer natural resources and reduces solid waste, disposal and maintenance costs. • Installation of auto sensor taps helped achieve water conservation. • For transportation vehicles, the Company undertakes route optimization; utilization monitoring vis-à-vis capacity and thorough control checks on the condition of the vehicle to attain lesser carbon emission thereby contributing to healthier environment.
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

S. 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 programs: • 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.

S. No.	Particulars	
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 Rs. and the details of the projects undertaken?	The total CSR spend for FY 2016-17 was Rs. 64.73 Million and the details of projects undertaken by the Company has been detailed 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, encouragement to increasing support from the local community, helps in achieving the intended purpose(s).

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

S. No.	Particulars	
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year	None received during the year under review.
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 a ITES provider and hence this question is not applicable.
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	NA
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

As per the 2017 Strategic Review published by NASSCOM (National Association of Software and Services Companies), the Indian IT BPM sector has witnessed a growth of 8% over last year – from USD 142 billion to USD 154 billion. With 1,70,000 people added last year, IT would remain the largest net hiring industry in the near future, with a forecasted revenue of USD 200-225 billion by 2020.

Technology and business services across the world are moving to digital transformation, which is shaping the Indian IT-BPM industry in a huge way. This paradigm shift is causing disruptive innovation in service delivery models, opening doors for many more players. Organizations in India are investing heavily in capability development and technology to march on this digital transformation journey and reap the benefits. India remains world's most preferred location by global MNCs for setting up technology businesses and fostering strong partnerships in niche areas. Digital technology will continue to remain a significant contributor to the industry's revenues.

II. BUSINESS PERFORMANCE

Financial Markets

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

Digital

In digital business, the Company continued to grow its relationships with emerging clients, while also piloting selected new engagements with larger strategic clients. Analytics services and creative production were two areas where the Company found the most traction with its clients. The acquisition of CLX Europe has helped us expand service offering to encompass a larger part of the digital lifecycle for the clients.

All marketing, process and people-related integration with CLX was completed during the year under review and this has started bearing fruits. CLX has met most of the internal goals that were set for 2016-17. The Company also continues to invest heavily for the future, for example, CLX has invested considerable effort in building the next generation of its proprietary digital asset management tool (FLUiiD4) and since the acquisition, many more existing clients have been migrated to this platform.

Customer Operations

The Company's cable business was the fastest growing business during FY 2016-17. With a portfolio of industry leading cable clients, this business has more than trebled since the acquisition of Agilyst in FY 2012-13.

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

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

Infrastructure

In India, eClerx operates out of three cities, Mumbai and Pune in western India, and Chandigarh in north India. Mumbai has eClerx's largest office, followed by Pune and Chandigarh. During the year in review, capacities were augmented in each of the three cities, and at the end of March 2017, the Company's India facilities had a total capacity of more than 9,000 seats and the centers are functioning at approximately 77% capacity.

eClerx also has sales offices across the US, Europe and Asia. The acquisition of CLX has added delivery centers both in Europe and Asia, and clients across Italy, Germany and the UK. CLX has an employee headcount of more than 300 employees.

During the year, a subsidiary was set up in Canada with the intent of enhancing eClerx foot print. The Company also made progress on enhancing global capabilities by announcing, setting up of an organic onshore delivery center in the US, which should allow eClerx to address client needs which cannot be met from offshore.

Harnessing Talent

Recognizing people development as a key strategic differentiator, the Company continuously invests in enhancing the skills of our workforce. To encourage managers to think differently, industry experts are invited for guest talks. It is believed that exposing managers to industry best practices, trends, and perspectives will yield dividends in the long term. The Company also entered into an agreement with a global eLearning provider to upskill high-potential managers on business, technology, and creative skills.

Furthermore, internal job transfers are a critical aspect of people development and in the year under review, the policy for internal transfers was re-designed to encourage internal movement and meet the talent pipeline needs of the Company.

Analytics being a focus area, the Company continues sending select senior managers for India's top rated post graduate analytics program. Also, all analytics teams are consistently upskilled on a proprietary framework for generating actionable business insights. Further, during the year, the central knowledge management team set up a fortnightly newsletter with insights curated from the horizontals and verticals, with the goal of enabling frontline managers to deliver actionable insights and not merely analysis.

III OUTLOOK

The outlook for the client business environment remains largely similar to FY 2016-17. eClerx does not expect any dramatic alterations to the demand environment during FY 2017-18.

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

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

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. These include, but are not limited to:

Macro - economic risk	The Company derived 96% of its revenues during FY 2016-17 from US and Western Europe. Challenging business and economic conditions and travel restrictions 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 61% of its total revenues during FY 2016-17 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 of projects given to the Company by them.
Currency risk	The Company derived around 76% of its revenues in US Dollars, 16% in Euros, and 8% in Sterling and other currencies. Adverse movements in foreign exchange rates on account of global, regional or local events could have a negative impact on our financial performance.
Competition risk	New competitors may enter the markets the Company operates in. Likewise, current competitors could decide to focus more on these markets, and thereby intensify the competition. They could also offer new technologies or offer a different service model or offer similar services at reduced prices. Such developments could harm the Company's business and results of operations.
Integration risks	The Company's recent or future acquisitions may pose challenges including financial, technological and people integration risks, which if not managed adequately, could result in failure to achieve the strategic and financial objectives of the transaction.
Key People risk	Our business is critically dependent on the quality of our workforce. Failure to attract, retain and motivate key employees would impair the Company's ability to offer the right quality of service to clients.
Business disruption or IT system failure risk	Business disruption following a major outage event or a failure of our IT systems could cause a disruption in the Company's services, thereby reducing client confidence.
Legal and regulatory risk	Failure to comply with legal or regulatory requirements could impact the Company's reputation and financial position. Legislation in certain countries in which we operate may restrict companies in those countries from outsourcing work to overseas entities like us, which could hamper our growth prospects in major markets.
Technological risk	With advancement of technology, artificial intelligence and robotics, the work volume for people-skill driven services might decrease or reshape significantly, and the Company might not be able to make transition to newer client demands quickly.

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 ('Ind AS').

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 Ind AS financial statements of the Company for the financial year ended March 31, 2017.

i. RESULTS OF OPERATIONS

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

(Rupees in Million)

Particulars	2016-17	2015-16
Revenue from Operations	13,300.33	13,143.16
Other Income (net)	282.00	369.46
Total Revenue	**13,582.33**	**13,512.62**
Operating Expenses	8,705.79	8,344.42
EBITDA	**4,876.54**	**5,168.20**
Finance Costs	0.25	0.41
Depreciation and goodwill amortization	517.96	565.38
Profit before Tax	**4358.33**	**4,602.41**
Taxes	819.03	1,184.97
Minority Interest	(0.97)	2.49
Net Profit attributable to shareholders	**3,540.27**	**3,414.95**

a. Income

Income from operations

Income from operations increased to Rs. 13,300.33 Million in the year under review from Rs. 13,143.16 Million in the previous year registering a growth of 1.20%.

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 decreased to Rs. 282.00 Million in the year under review from Rs. 369.46 Million in the previous year.

There was Foreign exchange loss of Rs. 90.89 Million due to revaluation and realization in the year under review (regrouped under Other expenditure) from gain of Rs. 257.79 Million in the previous year (included under Other Income), these include revaluation and realization gain of Rs.269.30 Million and hedge loss from forward contract of Rs. 11.51 Million in previous year.

Income from investments increased to Rs. 282.00 Million in the year under review from Rs. 111.67 Million in the previous year, primarily due to lower investible surplus available post acquisition of CLX Europe S.P.A in previous year.

b. Expenditure

Operating expenses comprises of employee costs and other general and administrative expenses. The total operating expenses increased to Rs. 8,705.79 Million in the year under review from Rs. 8,344.42 Million in the previous year.

Employee costs marginaly increased to Rs. 5,935.06 Million in the year under review from Rs. 5,730.61 Million in the previous year, primarily due to annual increment and also currency impact on account of overseas subsidiaries.

Other expenses increased to Rs. 2,770.73 Million in the year under review from Rs. 2,613.81 Million in the previous year. The increase was primarily due to:

- Increase in cost of technical sub-contractors by Rs. 21.63 Million in overseas subsidiaries on account of short term project.
- Loss in Foreign exchange (net) is Rs. 90.89 Million in the year under review, in previous year gain in Foreign exchange (net) was Rs. 257.79 Million grouped under 'Other Income'.
- Increase in rent by Rs. 11.87 Million due to additional facilities taken in Pune and also new facilities taken in previous year have been fully operational.
- Increase in AMC & consumables, office expenses and repair expenses by Rs. 65.09 Million primarily due to AMC for new facility and renewal and maintenance cost of old facilities.
- Increase in Legal and professional expenses by Rs. 23.26 Million due to increase in audit fee and other professional service availed.
- Increase in Corporate Social Responsibility cost by Rs. 10.80 Million as per Company's Act requirement.
- Decrease in travel expenses by Rs. 52.28 Million due to reduction in travel also reduction of power cost by Rs. 14.19 Million due to steps take to reduce power consumption.

c. Depreciation

Depreciation charge has decreased to Rs. 517.96 Million in the year under review from Rs. 565.38 Million, due to lower capital asset addition during year under review.

d. Income Tax Expense

The Company's consolidated tax expense (including deferred taxes) reduced to Rs. 819.03 Million in the year under review from Rs. 1,184.97 Million in the previous year which is largely due to recognition of deferred tax assets.

Decrease in the current taxation expenses is on account of lower taxes in US subsidiary on account of depreciation allowance and incremental MAT credit utilization in India.

- Incremental MAT credit utilization in India by Rs. 33.35 Million
- Decrease in tax liability due to depreciation allowance in US subsidiary by Rs. 32.51 Million.
- Decrease in the deferred tax expenses by Rs. 300.08 Million primarily on account of:
    - Decrease in deferred tax assets of Rs. 53.01 Million in previous year and recognition of deferred tax assets of Rs. 111.24 Million in year under review, net reduction of Rs. 164.25 Million in deferred tax expenses in India.
    - Payment of Rs. 79.29 Million in the year under review in US subsidiary on account of merger of Agylist Consulting Pvt Ltd with Eclerx Services Ltd which was booked as deferred tax expenses in previous year
    - Deferred tax assets Rs. 22.60 Million in year under review, recognised on employee stock options and expenses of US subsidiaries.

ii. FINANCIAL CONDITION

a. Share Capital

The Company has authorized capital of Rs. 500.10 Million as on March 31, 2017. The issued, subscribed and paid up capital was Rs. 397.10 Million of equity shares of Rs. 10 each in the year under review as compared to Rs. 407.89 Million in the previous year. The change in paid up capital was due to Buyback of Equity Shares, allotment of shares on exercise of employee stock options and elimination of shares held by eClerx Employee Welfare Trust.

b. Other Equity

The reserves and surplus of the Company increased to Rs. 11,756.41 Million in the year under review from Rs. 10,519.49 Million in the previous year. Increase in other equity is primarily from:

- Addition of retained earnings & other comprehensive income by Rs. 3,664.93 Million in the year under review which includes foreign exchange translation charge of Rs. (204.37) Million; cash flow hedge reserve addition of Rs. 359.82 Million and transfer from other comprehensive income of Rs. (30.79) Million.

- Reduction on account of buy back of share Rs. 2,342.85 Million in the year under review

c. Employee Benefit Obligations

Employee Benefit Obligations includes gratuity, leave encashment and other employee benefits is at Rs. 923.25 Million in the year under review of which Rs. 187.57 Million is Gratuity (of this Rs. 157.57 Million is non-current and Rs. 30.00 Million is current), increased marginally from Rs. 858.34 Million in previous year of which Rs. 142.21 Million is Gratuity (of this Rs. 117.21 Million is non-current and Rs. 25.00 Million is current)

d. Other non-current liabilities and current liability

Includes Lease equalisation reserve, advance from customer, taxes and other liability which is increased marginally to Rs. 273.95 Million in the year under review from Rs. 261.99 Million in previous year. Increase is primarily due to lease equlisation by Rs. 11.68 Million due to new facility addition, Taxes and other liability increased by Rs. 44.53 Million. Increase is offset by reduction of Rs. 13.34 Million on account of reduction of advance from customer and reduction of payables of subsidiaries

e. Borrowings

Borrowings by subsidiaries have reduced to Rs. 10.63 Million in the year under review from Rs. 35.12 Million in previous year due to repayment of working capital loan by subsidiary in Italy.

f. Other financial liabilities

Includes Unpaid dividend, advance billing, accrued expenses and payable for capital expenditure have reduced to Rs. 269.00 Million in the year under review from Rs. 390.22 Million primarily due to reduction in accrued expenses and increase in advance billing.

g. Fixed Assets

The Gross block of fixed assets as at March 31, 2017 was Rs. 4,234.70 Million (of this Rs. 2,842.35 Million is Intangible asset). Whereas Gross block of fixed assets as at March 31, 2016 was Rs. 4,164.26 Million (of this Rs. 2,938.29 Million is Intangible asset). During year under review addition to gross block (net off disposals) was Rs. 251.47 Million and negative impact of Translation Exchange Difference was Rs. 181.03 Million

h. Investment

Investment represent Non-Current investment Rs. 2.40 Million as at March 31, 2017 same as last year.

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

The Company's treasury practices call for investing only in highly rated debt oriented mutual funds. Investment in mutual funds increased to Rs. 2,513.99 Million during the year under review from Rs. 2,191.36 Million in the previous year due to investment of surplus cash generated from operations.

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, 2017 derivative instrument fair valuation was Rs. 642.27 Million compare to Rs. 149.03 Million as at March 31, 2016, increase is primarily due to rupee appreciation against hedged currency.

j. Other financial assets

Includes unbilled revenue, premise & other deposit, recoverable expenses and other loans & advances. Other financial assets increased as at March 31, 2017 to Rs. 1,150.92 Million from Rs. 1,051.11 Million as at March 31, 2016. Increase is primarily in deposit by Rs. 20.70 Million due to addition premises on lease, increase in loans and advance by Rs. 72.60 Million.

k. Other current and Non-current assets

Includes Capital advance, tax credit, prepaid advance and other advances. Other current & Non-Current asset decreased as at March 31, 2017 to Rs. 623.86 Million from Rs. 646.02 Million as at March 31, 2016. Decrease is due to reduction of other advance which is offset by increase in Service tax and other tax credit and also increase in prepaid expenses.

l. Trade Receivables

Debtors increased to Rs. 2,138.30 Million as at March 31, 2017 from Rs. 1,860.95 Million as at March 31, 2016 primarily on account of increase in DSO (Days Sales Outstanding). These debts are considered good and realisable and hence no provision for doubtful debts have been made. The need for provisions is assessed based on various factors, including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors that could affect the customers ability to settle. The Company monitors trade receivables closely.

m. Cash and Bank Balance

The cash and bank balances increased to Rs. 3,556.55 Million as on March 31, 2017 from Rs. 3,284.65 Million as at March 31, 2016. Out of this, Rs. 957.69 Million (Rs. 1,128.80 Million as at March 31, 2016) was held in exchange earnings in foreign currency accounts in India. The remaining cash and bank balances mainly represent bank balances in current and fixed deposit accounts.

n. Deferred Tax (net)

The Company has a net deferred tax liability of Rs. 168.89 Million as at March 31, 2017 (net deferred tax liability Rs. 235.65 Million as at March 31, 2016). Decrease in Deferred tax liability primarily due to recognition of deferred tax asset.

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	2016-17	2015-16
Net cash generated by/ (used in)		
Operating activities	3,124.28	4,177.20
Investing activities	(1,695.33)	(1,646.51)
Financing activities	(2,452.92)	(1,650.11)
Effect of Exchange fluctuation on Cash and Cash Equivalents	(58.51)	(21.63)
Net increase in cash and cash equivalents	**(1,082.48)**	**858.95**

a. **Cash flows from operating activities**

(Rupees in Million)

Particulars	2016-17	2015-16
Profit before tax	4,358.33	4,602.41
Adjustments: depreciation and Amortisation	517.96	565.38
Other non-cash adjustments	2.35	72.72
Non operating income (net)	(259.18)	(98.92)
Effect of working capital changes	(468.45)	161.84
Cash generated from operations	**4,151.01**	**5,303.43**
Taxes paid	(1,026.73)	(1,126.23)
Net cash generated by operating activities	**3,124.28**	**4,177.20**

Cash generated from operations, post adjustments to profit before tax, has gone down from Rs. 4,177.20 Million in previous year to Rs. 3,124.28 Million in current year, registering a de growth of 25.21% over the previous year primarily due to increase in working capital requirement Rs. 630.29 Million, lower profit Rs. 244.08 Million and higher non-operating income reduce from operating cash flow by Rs. 160.26 Million and other non-cash expenses (depreciation and amortization) of Rs. 117.79 Million. This reduction is partially offset by lower tax payment by Rs. 99.50 Million.

b. **Cash flows from investing activities**

(Rupees in Million)

Particulars	2016-17	2015-16
Fixed asset (net)	(297.39)	(530.83)
Other investments (net)	(1,604.55)	(175.94)
Payment for acquisition of business, net of cash acquired	-	(1,067.93)
Non operating income (net)	206.61	128.19
Net cash used in investing activities	**(1,695.33)**	**(1,646.51)**

During the year under review, Rs. 297.39 Million was also used in purchase of fixed assets for set up of new facilities, incremental additions and replacements as compared to Rs. 530.83 Million in the previous year.

c. Cash flows from financing activities

(Rupees in Million)

Particulars	2016-17	2015-16
Proceeds from equity issued	81.91	143.83
Buyback of equity shares	(2,354.55)	-
Short term Bank Loan (repaid) / taken	(24.49)	35.12
Finance Costs	(0.25)	(0.41)
Repayment of borrowing of subsidiaries	-	(546.37)
Purchase of treasury shares	(106.39)	-
Dividend paid including dividend tax	(49.15)	(1,282.28)
Net cash used in financing activities	(2,452.92)	(1,650.11)

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

The Board of Directors vide their meeting dated August 29, 2016 approved, subject to shareholders' approval, buyback of equity shares of the Company. The shareholder's approval was procured vide postal ballot results of which were announced on 14 October 2016. The Share Buyback Committee accordingly determined the final buyback price of Rs. 2,000 and the final amount available for Buyback is Rs. 2,354.55 Million.

Dividend paid during the year under review comprise of dividend payout for previous year ended March 31, 2016 approved by the shareholders at the last Annual General Meeting.

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 organisation grew to more than 8,800 employees during FY 2016-17. To promote employee welfare, we organized camps for blood donation, organ donation, BMI and health check-up, eye check-up, and cord blood banking. These initiatives received an overwhelming response from employees across locations.

This year again, the Company participated in the Great Place to Work® survey. We believe that we are heading in the right direction on our journey to become a work place where employees trust who they work for, take pride in what they do, and enjoy the company of the people they work with. In FY 2017-18, we will continue to look for ways to best harness the potential of our resources through various people management interventions including skilling people on digital, robotics and machine learning.

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

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

Strong Governance practices have rewarded the Company in the sphere of improved share valuation, stakeholders` confidence, improved market capitalization, high credit ratings and awards from appropriate authorities for its brands, stocks, environmental protection, etc.

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

II. BOARD OF DIRECTORS

The Board of Directors meets atleast once a quarter to review quarterly results and consider other items on the Agenda. 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 dates of Board meetings for the next financial year 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 distributes 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 ten Directors, of which one is Executive Director and two are Non-Executive Directors and seven are Non-Executive Independent Directors, including one woman director. The Chairman of the Board is a Non-Executive Director.

The composition of Board of Directors and its committees as given below, is consistent with the relevant provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').

Board and Committee Composition as on March 31, 2017								
Name	Relationship inter-se	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Investment Committee*	Share Buyback Committee*#
V. K. Mundhra Non - Executive Director - Chairman	Father of PD Mundhra	Chairperson		Member				Member
PD Mundhra Whole Time Director - Promoter	Son of V. K. Mundhra	Member	Member		Member	Member	Member	Member
Anjan Malik Non - Executive Director - Promoter	-	Member		Member			Member	Member
Pradeep Kapoor Non - Executive Independent Director	-	Member	Member		Chairperson			
Anish Ghoshal Non - Executive Independent Director	-	Member	Member	Chairperson	Member	Member		
Vikram Limaye Non - Executive Independent Director	-	Member						
Biren Gabhawala Non - Executive Independent Director	-	Member	Chairperson		Member	Member		Member
Alok Goyal Non - Executive Independent Director	-	Member		Member				
Deepa Kapoor Non - Executive Independent Director	-	Member	Member			Chairperson		
Shailesh Kekre ^ Non - Executive Independent Director	-	Member						

Chairperson Member

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

#Share Buyback Committee has been disolved w.e.f. February 8, 2017.

^Appointed w.e.f. March 15, 2017

c. Board Meetings and Procedures

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

The Company held its last Annual General Meeting on July 13, 2016.

d. Post Board meeting follow up system

The Company has an effective post directors meeting follow up procedure. Action taken report/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.

e. Details of Directors' attendance and other particulars as on March 31, 2017 are given below

As mandated by Regulation 26 of the Listing Regulations, and as informed to the Company, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 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, 2017 are given below:

Name	Attendance at the Last AGM Held on July 13, 2016	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 20, 2016	Jul 13, 2016	Aug 29, 2016	Nov 7, 2016	Feb 8, 2017	Mar 15, 2017			Member	Chairman
V. K. Mundhra	✓	✗	✓	✓	✓	✓	✓	83	1	–	–
PD Mundhra	✓	✗	✓	✓	✓	✓	✓	83	1	2	–
Anjan Malik	✓	✓	✓	◎	✓	✓	✗	83	–	–	–
Pradeep Kapoor	✗	✓	✗	✗	✓	✓	✓	67	1	2	1
Anish Ghoshal	✓	✓	✓	✓	✓	✗	✓	83	1	2	–
Vikram Limaye	✓	✓	✓	◎	✓	◎	◎	100	8	3	–
Biren Gabhawala	✓	✓	✓	✓	✓	✗	✓	83	1	4	2
Alok Goyal	✓	✓	✓	✓	✗	✗	✗	50	–	–	–
Deepa Kapoor	✓	✓	✓	✓	✓	✓	✓	100	–	1	–
Shailesh Kekre*							✓	100	–	–	–

✗ Leave of Absence ✓ Attended in Person ◎ Attended Through Video Conference

*Appointed w.e.f. March 15, 2017

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).

f. **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.

g. **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. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2016-2017.

A declaration to this effect signed by the Executive Director is given in this report. The aforesaid code has also been posted on the Company's website http://www.eclerx.com/Corporate%20Governance/Code%20of%20Conduct.pdf

h. 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'), *inter-alia*, pursuant to Section 195 of the Companies Act, 2013, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Company has instituted reporting system to prevent insider trading by employees, as applicable, and also takes periodic disclosures from them as stipulated in the said Code. Further, Company has put in place a Pre-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 employee(s) of the Company are also required to inform his/her shareholding in the Company, if any, as on the date of joining, being promoted to the designation, subject to the Prohibition of Insider Trading Code and at the time of leaving the organisation. 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.

i. Code of Conduct for Independent Directors

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

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

Further pursuant to the provisions of Act and the Listing Regulations, Independent Directors of the Company shall hold at-least one meeting in a year without attendance of Non- Independent Directors and the members of the Management. For the year under review, the said meeting was held on December 5, 2016.

III. AUDIT COMMITTEE

a. Primary role of Audit Committee

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Qualifications in the draft audit report , if any;

h. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

5. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) if any, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

6. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

7. Approval or any subsequent modification of transactions of the company with related parties, as permitted;

8. Scrutiny of inter-corporate loans and investments;

9. Valuation of undertakings or assets of the company, wherever it is necessary;

10. Evaluation of internal financial controls and risk management systems;

11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

12. 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;

13. Discussion with internal auditors of any significant findings and follow up there on;

14. 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;

15. 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;

16. 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;

17. To review the functioning of the Whistle Blower mechanism;

18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

20. Review the following information:

    1. Management discussion and analysis of financial condition and results of operations;

    2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

    3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

    4. Internal audit reports relating to internal control weaknesses; and

    5. The appointment, removal and terms of remuneration of the chief internal auditor.

b. Powers of Audit Committee

The Audit Committee has, *inter-alia*, the following powers:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee

3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it 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 not more than one hundred and twenty days between two meetings.

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

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 Including Video Conference
	May 19, 2016	Jun 28, 2016	Aug 29, 2016	Nov 7, 2016	Feb 8, 2017	
Biren Gabhawala	✓	✓	✓	✓	✓	100
Pradeep Kapoor	✓	✓	✗	✓	✓	80
Anish Ghoshal	✓	✓	✗	✓	✓	80
Deepa Kapoor	✓	📹	✓	✓	✓	100
PD Mundhra	✗	✓	✓	✓	✓	80

✗ Leave of Absence ✓ Attended in Person 📹 Attended Through Video Conference

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

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

Statutory Auditors as well as Internal Auditors participate in the Audit Committee meetings. In addition to the above, the Committee meetings were also attended by the Chief Financial Officer of the Company along with Associate Principals – Corporate Finance.

The minutes of the Audit Committee Meetings are placed before the Board. The Chairman of the Audit Committee briefs the Board Members about the significant discussions and the decisions taken at Audit Committee meetings.

The Chairman of the Audit Committee attended Sixteenth Annual General Meeting of the Company held on July 13, 2016.

IV. NOMINATION AND REMUNERATION COMMITTEE

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

a. Terms of reference:

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

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance and determine whether to extend or continue the term of appointment of the independent director on the basis of the report of the performance evaluation of independent director.

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

3. Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

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

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

6. Decide/approve details of fixed component and performance linked incentives along with the performance criteria.

7. Devising a policy on Board diversity.

8. Formulation of criteria for evaluation of Independent Directors and the Board.

9. The Nomination and Remuneration Committee shall, while formulating the Remuneration policy ensure that:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

b. 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 20, 2016	Aug 29, 2016	Nov 7, 2016	Feb 8, 2017	Mar 2, 2017	Mar 15, 2017	
Anish Ghoshal	✓	✓	✓	✓	✓	✓	100
Alok Goyal	✓	✓	✗	✗	✓	✗	50
Anjan Malik	✓	✗	✓	✓	✗	✗	50
V. K. Mundhra	✗	✓	✓	✓	✗	✓	67

✗ Leave of Absence ✓ Attended in Person

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 Companies Act, 2013 and the Listing Regulations, as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The policy acts as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

e. Details of remuneration paid/payable to Directors for FY 2016-17 are as follows

(Rupees in Million)

Name	Salary & Perquisites including ESOP gain, if any	Remuneration to Independent Directors#	Sitting Fees	Total
V. K. Mundhra	-	-	-	-
PD Mundhra	13.80	-	-	13.80
Anjan Malik	-	-	-	-
Pradeep Kapoor	-	1.65	0.14	1.79
Anish Ghoshal	-	1.65	0.20	1.85
Vikram Limaye	-	1.65	0.14	1.79
Biren Gabhawala	-	1.65	0.20	1.85
Alok Goyal	-	1.65	0.10	1.75
Deepa Kapoor	-	1.65	0.18	1.83
Shailesh Kekre	-	0.08	0.02	0.10

#Remuneration to Independent Directors for FY 2016-17 would be paid in June 2017

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

i. Sitting Fees

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

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

ii. Remuneration to Non-Executive Independent Director

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 provisions of the Companies Act, 2013 and such other applicable regulations, subject to an amount of Rs. 1.80 Million p.a. The details of the remuneration paid to the Non-Executive Independent Director for FY 2016-17 is tabled above.

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

Shareholders 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 Companies Act, 2013, provided that such amount shall not exceed Rs. 1.80 Million per annum per Non-Executive Independent Director in addition to the fee payable to them for attending the meeting of Board of directors of the Company or any Committee(s) thereof.

The Nomination and Remuneration Committee at its Meeting held on May 20, 2016 considered and accordingly recommended

the payment of remuneration of Rs. 1.65 Million p.a. to each of Non-Executive Independent Directors of the Company for FY 2016-17, 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 Rs. 13.80 Million p.a. In addition to that he is also entitled to Annual Performance Bonus, not exceeding Rs. 13.80 Million p.a., which is merit based and takes into account the Company's performance. However, PD Mundhra offered to forgo his bonus for Financial Year 2016-17 and the Board of Directors deliberated upon the same at the meeting held on May 30, 2017, and accepted the proposal. Accordingly no bonus would be paid to PD Mundhra for Financial Year 2016-17.

Furthermore, PD Mundhra, offered to forgo his annual remuneration increment for the Financial Year 2017-18 conveying that he believed that the current remuneration reflected fair value for his contribution to the Organisation. The Board of Directors at its meeting held on May 30, 2017, accepted his proposal. PD Mundhra has not taken any increment in the monthly salary per-se, since Financial Year 2011-12.

PD Mundhra holds 9,968,997 shares of the Company as on March 31, 2017.

f. Details of shareholding of Non-Executive Directors as on March 31, 2017

Sr. No.	Name of the Director	Shareholding (No. of Shares)
1	V. K. Mundhra	41,977
2	Anjan Malik	9,974,701
3	Pradeep Kapoor	7,563
4	Anish Ghoshal	2
5	Vikram Limaye	Nil
6	Biren Gabhawala	6,414
7	Alok Goyal	Nil
8	Deepa Kapoor	Nil
9	Shailesh Kekre	Nil

g. Details of options held by Non-Executive Independent Directors as at March 31, 2017 during the year ended on that date

The Company has granted options to its Independent Directors in the past. However, effective from financial year 2013-14, the Company has stopped granting ESOPs to Independent Directors of the Company, in view of the provisions of the then draft Companies Act, 2013 and Listing Regulations. As on March 31, 2017, there are no outstanding options.

V. 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 Shakeholders' Relationnship Committee Meetings Held and Attended during the year				% of Attendance Including Video Conference
	May 19, 2016	Aug 29, 2016	Nov 7, 2016	Feb 8, 2017	
Pradeep Kapoor	✓	✗	✓	✓	75
Anish Ghoshal	✓	✗	✓	✓	75
PD Mundhra	✗	✓	✓	✓	75
Biren Gabhawala	✓	✓	✓	✓	100

✗ Leave of Absence ✓ Attended in Person

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

Name, designation and address of Compliance Officer:
Gaurav Tongia
Company Secretary
Sonawala Building, 1st Floor, 29 Bank Street,
Fort, Mumbai – 400 023, Maharashtra, India.
Ph. No.: +91 (22) 6614 8301
Fax No.: +91 (22) 66148655
Email: investor@eClerx.com

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

The total number of shareholders' complaints received and replied by the Registrar & Transfer Agent to the satisfaction of shareholders during the year under review was nine (9). The complaints of shareholders were satisfactorily resolved. There was one (1) complaint pending as on March 31, 2017.

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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 Including Video Conference
	May 19, 2016	Aug 29, 2016	Nov 7, 2016	Feb 8, 2017	
Deepa Kapoor	✓	✓	✓	✓	100
Anish Ghoshal	✓	✗	✓	✓	75
PD Mundhra	✗	✓	✓	✓	75
Biren Gabhawala	✓	✓	✓	✓	100

✗ Leave of Absence ✓ Attended in Person

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

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

VII. INVESTMENT COMMITTEE

With a view to enable approval for investment(s) upto Rs. 20 Million (Rupees Twenty Million Only) under Company's employee initiatives towards talent and entrepreneurship encouragement, the Board of Directors of the Company constituted the Investment Committee. 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.

VIII SHARE BUYBACK COMMITTEE

The Board of Directors of the Company, at its meeting held on August 29, 2016, constituted a Share Buyback Committee to monitor and undertake all necessary actions for implementation of the Buyback process.

Details of Share Buyback Committee meetings held during the year and attendance of committee members are as follows

Name	No. of Share Buyback Committee Meetings Held and Attended during the year		% of Attendance Including Video Conference
	Oct 14, 2016	Feb 8, 2017	
V. K. Mundhra	✓	✓	100
PD Mundhra	✗	✓	50
Biren Gabhawala	✓	✗	50
Anjan Malik	🎥	✓	100

✗ Leave of Absence ✓ Attended in Person 🎥 Attended Through Video Conference

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

Post completion of buyback, the Share Buyback Committee was discontinued and dissolved by the Board of Directors at its Meeting held on February 8, 2017.

IX. GENERAL BODY MEETINGS

a. Annual General Meeting

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

Year	Date	Time	
2015-16	July 13, 2016	10.15 a.m	Walchand Hirachand Hall, Indian Merchants Chamber, LNM IMC Building, Churchgate, Mumbai 400 020
2014-15	July 17, 2015	10.15 a.m	
2013-14	July 10, 2014	10.15 a.m	

b. Extraordinary General Meeting

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

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

Subject	Date of AGM
No Special Business	July 13, 2016
To institute Employee Stock Scheme/Plan 2015 for the Employees of the Company	July 17, 2015
To institute Employee Stock Scheme/Plan 2015 for the Employees of subsidiary(ies) of the Company	
To approve incorporating Employee Welfare Trust(s) mechanism within Employee Stock/Plan 2015 to enable secondary market transactions	
To set up and authorise Employee Welfare Trust(s) for acquisition of shares of the Company through secondary market	
To approve payment of remuneration to Non Executive Independent Directors of the Company.	
To appoint M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company in place of M/s. Walker, Chandiok & Co LLP (formerly: Walker, Chandiok & Co) the retiring auditor and to fix their remuneration.	July 10, 2014
Approval for increasing the Borrowing Powers	
Creation of charge on movable and immovable properties of the Company, both present and future	

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
Approval of Buyback of Equity Shares	October 14, 2016	99.99%

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

Procedure for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of "Karvy Computer Share Private Limited", for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

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

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

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

Special Resolution proposed to be passed by way of Postal Ballot at AGM

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

Familiarization Programmes for Independent Directors

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

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.

Related Party and Material subsidiaries Policy

This policy deals with the review and approval of Material Related Party Transactions, if any, keeping in mind the potential or actual conflicts of interest that may arise consequent upon the transaction

entered into by the Company and whether the said transactions are consistent with the Company's and its shareholder's interest. This policy also deals with transactions involving Material Non Listed Subsidiary (ies), if any, of the Company.

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

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

The aforesaid policy has also been posted on the Company's website http://www.eclerx.com/Corporate%20Governance/Policy%20on%20Related%20Parties%20and%20Material%20Non-listed%20Subsidiaries.pdf

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 and elsewhere in the Director's Report.

b. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority in any matters related to the capital markets during the last three years.

c. Pursuant to Listing Regulations and Companies Act, 2013, the Company has in place an adequate and functional vigil mechanism i.e. Whistle Blower Policy for directors, employees and others to report genuine concerns. Further no one has been denied access to the Audit Committee. The Policy is available on http://www.eclerx.com/Corporate%20Governance/WhistleBlowerPolicyandVigilMechanism.pdf

d. Your Company has complied with all the mandatory requirements of the Listing Regulations, as applicable. Though at present the Company does not comply with some of the discretionary requirements under Part E of Schedule II of Listing Regulations, the Company is committed towards complying with Listing Regulations as a whole and will take suitable measures as and when possible.

e. During the FY 2016-17, requisite information as mentioned in Part A of Schedule II of listing regulations has been placed before the Board for its consideration.

f. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

g. M/s Aneja Advisory Private Limited, Chartered Accountants, Internal Auditors of the Company, make presentations to the Audit Committee on their reports.

h. Subsidiary Companies: The Audit Committee reviews the Financial Statements and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings along with a report on 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 Listing Regulations.

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

XI. RISK MANAGEMENT FRAMEWORK

a. Risk Management Framework

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

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

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

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

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

XII. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis Report for the Financial Year 2016-17, as per the requirements of Listing Regulations, is given in 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 shares of the Company are listed and the same are published in Business Standard and Sakal. These financial results are also displayed on the Company's website www.eclerx.com. The investor presentations after declaration of quarterly, half-yearly and annual results are displayed on the Company's website. The Company's 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.

Share holders' Information:

Date of AGM	Tuesday, August 22, 2017	
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 (2017-18) (Tentative)	**Declaration of Results for the Quarter Ending on**	**Tentative Board Meeting Schedule**
	June 30, 2017	First fortnight of August 2017
	September 30, 2017	First fortnight of November 2017
	December 31, 2017	Last fortnight of January 2018
	March 31, 2018	Last fortnight of May 2018
	Eighteenth Annual General Meeting	Last fortnight of July 2018
Date of book closure	Wednesday, August 16, 2017 to Tuesday, August 22, 2017 (both days inclusive).	
Dividend payment date	On/after Monday, August 28, 2017	
Shares held in physical form	Shareholders holding shares in the physical form are requested to promptly notify/send the following details to the Registrar and Transfer Agent of the Company, to facilitate better servicing: • Any change in their address/mandate/bank details; • Particulars of the bank account in which they wish their dividend to be credited, in case have not been furnished earlier. • Shareholders are advised that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialized form respectively, will be printed on their dividend warrants as a measure of protection against fraudulent encashment.	
Shares held in electronic form	Shareholders holding shares in electronic form may please note that: • Instructions regarding bank details which they wish to have incorporated in future dividend warrants must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants, as furnished by these depositories to the Company. • Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. • Instructions regarding change of address, nomination and power of attorney should be given directly to the DP.	
Listing on stock exchanges	The Equity shares of the Company got listed on December, 31 2007. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.	

Address of stock exchanges	**BSE Limited** Phiroze Jeejeebhoy Towers,Dalal Street, Mumbai- 400 023 **National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051
Listing fees	The Company has paid the Annual Listing fees to the BSE and NSE for the Financial Year 2017-18.
ISIN number	For NSDL/ CDSL : INE738I01010
BSE code	532927
NSE symbol	ECLERX
Registered office	Sonawala Building, 1st Floor 29 Bank Street, Fort, Mumbai - 400 023
Corporate office & Delivery Facilities 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 01, 5th Floor, & Block 04, 2nd Floor, Quadron Business Park Limited, Rajiv Gandhi Infotech Park, Hinjewadi Phase-II, Pune – 411057 • Embassy Techzone Plot No . 3, Rhine Building 1.5, A Wing, 2nd Floor, Rajiv Gandhi Info Park, Phase 2, Hinjewadi, Pune – 411057 • 1st & 2nd Floor, Towers A & B, DLF Info City Developer, Rajiv Gandhi Chandigarh Technology Park, Kishangarh, Chandigarh – 160 101
Registrars and share transfer agents (R&T Agents)	Karvy Computershare Private Ltd Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana. Ph Nos.: +91 (40)67161569 Fax No.: +91 (40) 2342 0814 Email: balaji.reddy@karvy.com
Share transfer system	About 99.99% of the equity shares of the Company are in dematerialised form. Transfer of these shares is effected through depositories without involvement of the Company. As regards transfer of shares in physical form, the same are processed and approved upon receipt, and the certificates are returned to the shareholders within 30 days from the date of receipt (subject to the documents being valid and complete in all respects).
Dematerialisation of shares	All requests for dematerialisation of shares are processed and confirmed to the depositories, viz, NSDL and CDSL, by our R&T Agents within a period of 21 days. (subject to the documents being valid and complete in all respects).The particulars of the dematerialisation are reported to the Board/Stakeholders' Relationship Committee for its noting.
Liquidity of shares	The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. Non-Promoters' holding is about 49.72%.

Shares in dematerialised mode	The shares of the Company are compulsorily traded in dematerialised form. The shares of the Company are admitted for trading under both depository systems in India: NSDL and CDSL. A total number of 39,784,105 Equity shares of the Company constituting over 99.99 per cent of the Company's equity shares were in dematerialized mode as on March 31, 2017. A total of 66 Equity Shares are in physical mode as on March 31, 2017.
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 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.
Foreign exchange risk or hedging activities:	Please refer Notes to Standalone Financial Statements – Note No. 35
Unclaimed Dividend	Pursuant to the applicable provisions of the Companies Act, 2013 and the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate affairs effective September 7, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government, after completion of seven years. Further, the corresponding shares will be transferred as per the requirements of the IEPF Rules, details of which are provided on the Company's website.

Details of Unclaimed Dividend

Year	Nature of Dividend	Dividend Per Share (Rupees)	Date of Declaration	Due Date for Transfer	Amount* (Rupees)
2009-10	Final Dividend	10.00	September 16, 2010	October 15, 2017	176,070.00
2010-11	Final Dividend	22.50	August 24, 2011	August 23, 2018	260,122.50
2011-12	Final Dividend	17.50	August 23, 2012	August 22, 2019	172,480.00
2012-13	Final Dividend	25.00	August 22, 2013	August 22, 2020	191,650.00
2013-14	Final Dividend	35.00	July 10, 2014	July 10, 2021	305,340.00
2014-15	Final Dividend	35.00	July 17, 2015	July 17, 2022	201,180.00
2015-16	Final Dividend	1.00	July 13, 2016	July 13, 2023	15,222.00

*Amount unclaimed as on March 31, 2017

During FY 2015-16, the Company had issued bonus shares in the ratio of 1:3 i.e. one (1) fully paid up Bonus equity share of Rs. 10/- each for every three (3) equity shares of Rs. 10/- each held in the Company. The Fractional shares of all eligible shareholders i.e. 4,384 shares arising out of bonus allotment were consolidated and sold off in the open market. The Company distributed net proceeds from the sale of such fractional shares in proportion to the entitlements among shareholders and following is the status of unclaimed balance appearing in 'eClerx Services Ltd. - Fractional Share Payout 2016' account of the Company:

Corresponding Financial Year	Nature	Balance in the Account (Rupees)*	Due Date for transfer to IEPF
2015-16	Disbursement of proceeds on sale of Fractional shares arised on account of bonus issue of shares in ratio of 1:3	1,785.20	January 4, 2023

*Amount unclaimed as on March 31, 2017

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

Transfer to Investor Education and Protection Fund during the Financial Year 2016-17

Year	Nature of Dividend	Dividend Per Share (Rupees)	Amount (Rupees)	Date of transfer to IEPF
2008-09	Final Dividend	10.00	203,470.00	October 17, 2016
2009-10	Interim Dividend	7.50	149,678.00	December 20, 2016

Amounts transferred to Investor Education and Protection Fund till date

Particulars	Amount (Rupees)
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

The details of such investors are available on the website of the Company.

Details of Unclaimed shares as provided by our RTA i.e. Karvy Computershare Private Limited pursuant to Regulation 39 read with Part F of Schedule V of Listing Regulations

Sr. No.	Description	No. of Shareholders	No. of Shares
1	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on April 1, 2016	17	670
2	Number of Shareholders approached the Company to claim aforesaid unclaimed shares and to whom the shares were transferred	Nil	Nil
3	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2017	17	670

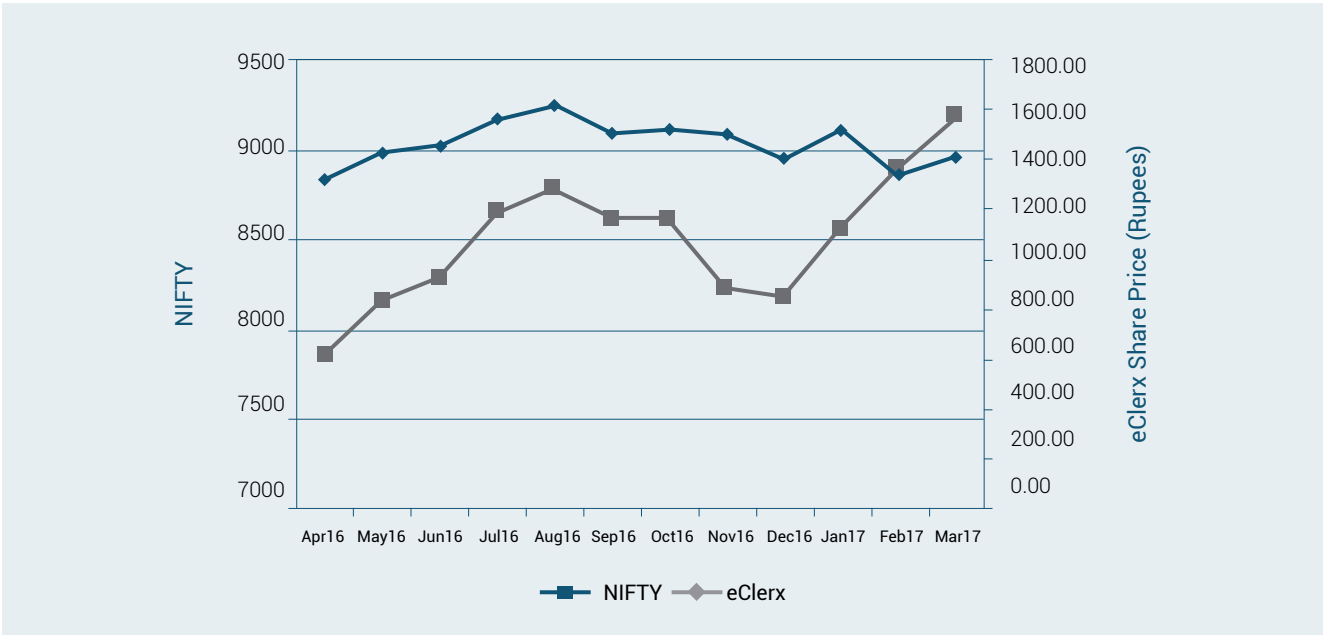
As required under the said Regulations of the Listing Regulations the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Market Price Data

(Rupees per share)

Month	BSE		NSE	
	High	Low	High	Low
Apr-16	1,375.00	1,280.00	1,380.00	1,279.95
May-16	1,530.00	1,295.00	1,532.35	1,290.10
Jun-16	1,556.40	1,365.00	1,559.00	1,326.80
Jul-16	1,596.00	1,395.50	1,599.00	1,396.00
Aug-16	1,775.00	1,494.75	1,784.40	1,499.95
Sep-16	1,605.00	1,475.10	1,622.00	1,475.10
Oct-16	1,680.00	1,477.00	1,679.90	1,482.20
Nov-16	1,537.80	1,358.60	1,538.90	1,350.50
Dec-16	1,519.75	1,338.10	1,520.00	1,340.00
Jan-17	1,522.75	1,390.00	1,520.00	1,392.55
Feb-17	1,528.00	1,326.50	1,549.00	1,340.05
Mar-17	1,417.70	1,312.00	1,428.50	1,310.00

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

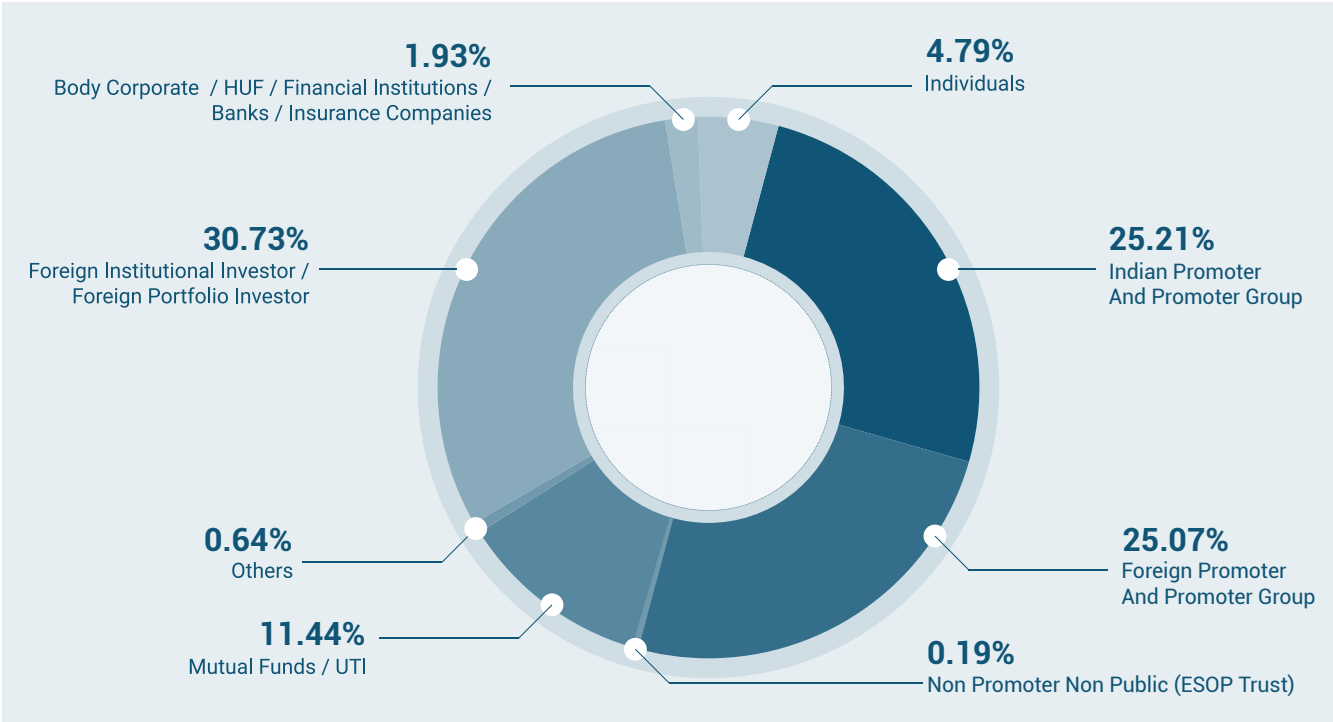


Distribution of Shareholding as at March 31, 2017

Category	Number of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1 - 5000	20,377	99.20	1,629,821	4.10
5001 - 10000	55	0.27	381,277	0.96
10001 - 20000	37	0.18	523,657	1.32
20001 - 30000	14	0.07	357,521	0.90
30001 - 40000	5	0.02	174,702	0.44
40001 - 50000	6	0.03	279,021	0.70
50001 - 100000	12	0.06	867,390	2.18
100001 and above	36	0.18	35,570,782	89.40
TOTAL	**20,542**	**100.00**	**39,784,171**	**100.00**

The shareholding pattern of the Company as on March 31, 2017 was as under:

S. No.	Category of Shareholder	No. of Shares	% Shareholding
(A)	**Shareholding of Promoter and Promoter Group**		
1	Indian	10,029,556	25.21
2	Foreign	997,4701	25.07
	Total Promoters Shareholding (A)	**20,004,257**	**50.28**
(B)	**Public Shareholding**		
1	**Institutions**		
(a)	Mutual Funds/UTI	4,551,868	11.44
(b)	Financial Institutions/Banks/Insurance Companies	123,816	0.31
(c)	Foreign Institutional Investor/Foreign Portfolio Investor	12,224,362	30.73
2	**Non-Institutional Investor**		
(a)	Body Corporate//HUF/Trust	644,240	1.62
(b)	Individuals	1,905,024	4.79
3	**Others**		
(a)	Non Resident Indian	149,574	0.38
(b)	Clearing Members	33,731	0.08
(c)	Trust	4,350	0.01
(d)	Foreign Nationals	40,080	0.1
(e)	NBFC	856	0.00
(F)	Alternative Investment Fund	26,900	0.07
4	**Qualified Foreign Investors**		
	Total Public Shareholding (B)	**19,704,801**	**49.53**
(C)	**Non Promoter Non Public Shareholding**		
	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	75,113	0.19
	Total Non Promoter Non Public Shareholding (C)	**75,113**	**0.19**
	Total (A)+(B)+(C)	**39,784,171**	**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,
Maharashtra, India.
Ph. No.: 022-66148301
Email ID: investor@eClerx.com

Registrar & Transfer Agent:

Karvy Computershare Private Ltd
Karvy Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad – 500 032
Ph Nos.: +91 (40) 67161569
Fax No.: +91 (40) 2342 0814
Email: balaji.reddy@karvy.com

CODE OF CONDUCT DECLARATION

Regarding compliance by board members and senior management personnel with the Company's code of conduct

To

The Members of

eClerx Services Limited

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board members and senior management personnel of the Company, for the year ended on March 31, 2017.

For **eClerx Services Limited**

Place: Mumbai
Date: May 30, 2017

PD Mundhra
Executive Director

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, 2017 and that to the best of our knowledge and belief:

   i. Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. Financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit committee

   i. that there were no significant changes, in internal control over financial reporting during the year;

   ii. that there were no Significant changes, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. that there were no instances of any fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the company's internal control system over financial reporting.

PD Mundhra
Executive Director

Rohitash Gupta
Chief Financial Officer

Mumbai
May 30, 2017

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

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

1. The accompanying Corporate Governance Report prepared by eClerx Services Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV 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, 2017. 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 Corporate Governance 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 express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance 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 Institute of Chartered Accountants of India.

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 Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding 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 w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held from April 1, 2016 to March 31, 2017:

(a) Board of Directors meeting;

(b) Audit committee;

(c) Annual General Meeting;

(d) Nomination and remuneration committee;

(e) Corporate Social Responsibility committee; and

(f) Share Buyback committee;

v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

vi. 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 Corporate Governance 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 stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 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

Place of Signature: Mumbai
Date: May 30, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of eClerx Services Limited

Report on the Standalone Ind AS Financial Statements

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, 2017, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 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;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period.

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 30, 2017

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 fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Companies (Auditor's report) Order, 2016 ("the Order") are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of 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 / to a company in which the Director is 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, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, the Company did not have any dues of excise duty.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax demand	9,670,533	Assessment Year 2005-06	High Court
The Income Tax Act, 1961	Income Tax demand	3,532,594	Assessment Year 2007-08	High Court and Supreme Court
The Income Tax Act, 1961	Income Tax demand	Note 1	Assessment Year 2010-11	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	17,171,150	Assessment Year 2011-12	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	7,264,170	Assessment Year 2011-12	Income Tax Appellate Tribunal Note 2
The Income Tax Act, 1961	Income Tax demand	21,909,129	Assessment Year 2012-13	Commissioner of Income Tax (Appeal) Note 3
The Income Tax Act, 1961	Income Tax demand	16,328,990	Assessment Year 2013-14	Commissioner of Income Tax (Appeal) Note 4

Note 1 – Demand of Rs. 1,576,730 has been paid under protest.

Note 2 – Demand of Rs. 4,160,000 has been paid under protest.

Note 3 – Demand of Rs. 6,124,000 has been paid under protest.

Note 4 – Demand of Rs. 2,450,000 has been paid 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) 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 paragraph 3(xii) of the Order are not applicable to the Company and hence not commented upon.

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

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

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

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

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

per **Amit Majmudar**
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 30, 2017

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, 2017 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Amit Majmudar**
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 30, 2017

BALANCE SHEET

as at March 31, 2017

	Notes	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
ASSETS				
Non-current assets				
Property, plant and equipment	3	549.43	701.60	629.35
Capital work in progress	3	11.21	-	11.49
Intangible assets	4	34.78	65.60	117.34
Financial assets	5			
Investments	5.1	2,335.42	2,426.55	825.66
Derivative instruments	5.2	88.50	33.96	36.25
Other financial assets	9	115.50	92.77	98.28
Long term loans	8	114.57	-	-
Deferred tax assets (net)	20	-	2.35	54.04
Other non-current assets	10	379.67	355.06	464.90
		3,629.08	**3,677.89**	**2,237.31**
Current assets				
Financial assets	5			
Investments	5.1	2,513.99	2,191.36	1,552.94
Trade receivables	6	1,696.50	1,485.33	1,206.11
Cash and cash equivalents	7.a.	1,179.11	1,917.34	1,568.09
Other Bank balances	7.b.	1,790.40	438.13	927.87
Other financial assets	9	952.31	929.70	970.09
Derivative instruments	5.2	553.77	115.07	257.71
Other current assets	11	185.59	111.23	148.65
Current tax assets (net)		53.85	22.48	12.66
		8,925.52	**7,210.64**	**6,644.12**
Total assets		**12,554.60**	**10,888.53**	**8,881.43**

BALANCE SHEET

as at March 31, 2017

	Notes	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Equity and liabilities				
Equity				
Equity Share Capital	12	397.84	407.89	303.51
Other Equity	13	10,595.44	9,277.56	7,534.52
Total equity		**10,993.28**	**9,685.45**	**7,838.03**
Non-current liabilities				
Employee Benefit Obligations	15	157.57	117.74	110.49
Other non-current liabilities	16	126.46	114.61	99.89
Deferred tax liabilities (net)	20	19.83	-	-
		303.86	**232.35**	**210.38**
Current liabilities				
Financial liabilities				
Trade payables	17	537.14	291.74	226.94
Other financial liabilities	18	206.03	226.52	220.81
Other current liabilities	19	57.21	46.13	52.69
Employee Benefit Obligations	15	447.19	403.65	287.38
Current tax liabilities (net)		9.89	2.69	45.20
		1,257.46	**970.73**	**833.02**
Total equity and liabilities		**12,554.60**	**10,888.53**	**8,881.43**
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

per Amit Majmudar
Partner
Membership Number: 36656

Place: Mumbai
Date: May 30, 2017

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

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

	Notes	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Revenue from operations	21	11,620.22	11,058.85
Other income	22	284.79	389.30
Total Income		**11,905.01**	**11,448.15**
Expenses			
Employee benefits expense	23	3,945.67	3,829.60
Cost of technical sub-contractors		60.39	28.51
Depreciation and amortisation expense	24	364.07	416.63
Other expense	25	3,400.56	3,028.60
Total expenses		**7,770.69**	**7,303.34**
Profit before exceptional items and tax		**4,134.32**	**4,144.81**
Exceptional items	28	80.41	259.14
Profit before tax		**4,053.91**	**3,885.67**
Tax expenses			
Current tax	20		
Pertaining to current year		845.91	884.37
Adjustments in respect of current income tax of previous year		7.76	1.08
Deferred tax	20	(111.24)	51.72
Income tax expense		**742.43**	**937.17**
Profit for the year		**3,311.48**	**2,948.50**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement (losses) on defined benefit plans	28	(30.79)	(19.21)
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**(30.79)**	**(19.21)**

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2017

	Notes	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	28	493.24	(5.06)
Deferred tax liability on net movement on cash flow hedges	20	(133.42)	-
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**359.82**	**(5.06)**
Other comprehensive income for the year, net of tax		**329.03**	**(24.27)**
Total comprehensive income for the year, net of tax		**3,640.51**	**2,924.23**
Earnings per equity share (in Rs.)			
Basic (Face value of Rs.10 each)	29	81.68	72.52
Diluted (Face value of Rs.10 each)	29	80.78	70.95
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

per Amit Majmudar
Partner
Membership Number: 36656

Place: Mumbai
Date: May 30, 2017

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

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

Rohitash Gupta Chief Financial Officer
Gaurav Tongia Company Secretary

STATEMENT OF CASH FLOWS

for the year ended

	Notes	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Operating activities			
Profit before tax		4,053.91	3,885.67
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	24	310.56	344.78
Amortisation and impairment of intangible assets	24	53.51	71.85
Share-based payment expense	23	(0.64)	39.52
Net foreign exchange differences - Trade receivables		47.32	28.11
Net foreign exchange differences - Trade payables		(0.27)	(0.40)
Loss on sale of assets	25	0.56	6.83
Interest income on corporate rent deposits	22	(13.27)	(11.92)
Amortised cost on corporate rent deposits		14.08	13.92
Loss / (Profit) on sale of current investments	22 & 25	2.16	(7.80)
Dividend Income	22	(132.92)	(52.31)
Interest Income	22	(117.77)	(34.48)
Other Adjustments		(30.79)	(19.21)
Bad debts written off	25	-	0.04
Fair value gain on financial instruments at fair value through profit or loss	22	(20.47)	(0.35)
Provision for diminution in value of long term investments	28	80.41	259.14
		4,246.38	**4,523.39**
Working capital adjustments:			
Increase in employee benefit obligations		83.37	123.52
(Increase) in trade receivables		(258.87)	(307.36)
(Increase)/decrease in financial assets and other assets		(158.39)	321.21
Increase in trade payables, other current and non current liabilities and financial liabilities		248.11	79.07
Cash generated by operating activities		**4,160.60**	**4,739.83**
Income tax paid (Net of Refunds)		(877.84)	(927.96)
Net cash flows from operating activities		**3,282.76**	**3,811.87**
Investing activities			
Proceeds from sale of current investments		7,727.38	7,957.53
Purchase of current investments		(8,031.70)	(8,587.80)
Purchase of non current investments		-	(2.40)
Investment in bank deposits (having original maturity of more than three months)		(2,418.50)	(521.43)

STATEMENT OF CASH FLOWS

for the year ended

	Notes	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Redemption/matuity of bank deposits (having original maturity of more than three months)		1,121.98	980.11
Payment of unclaimed dividend and fractional share	7	0.37	(0.03)
Payment for acquisition of business, net of cash acquired		-	(1,835.51)
Proceeds from sale of property, plant and equipment		1.21	4.06
Disbursement of loan to ESOP trust		(110.00)	-
Purchase of property, plant and equipment (including capital work in progress)		(194.06)	(436.56)
Dividend received (finance income)		132.92	52.31
Interest received (finance income)		70.72	65.55
Net cash flows (used in) investing activities		**(1,699.68)**	**(2,324.17)**
Financing activities			
Proceeds from issue of equity share capital	12	79.53	142.34
Proceeds from equity issued pending allotment		2.38	1.49
Buyback of equity shares		(2,354.55)	-
Payment of dividend		(40.79)	(1,065.39)
Dividend distribution tax		(8.36)	(216.89)
Net cash flows (used in) financing activities		**(2,321.79)**	**(1,138.45)**
Net (decrease) / increase in cash and cash equivalents		**(738.71)**	**349.25**
Increase in cash and cash equivalents on account of liquidation of subsidiary		0.48	-
Cash and cash equivalents at the beginning of the year		1,917.34	1,568.09
Cash and cash equivalents at the year end		**1,179.11**	**1,917.34**
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

per Amit Majmudar
Partner
Membership Number: 36656

Place: Mumbai
Date: May 30, 2017

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

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

Rohitash Gupta Chief Financial Officer
Gaurav Tongia Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

	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, 2015	**30,350,885**	**303.51**
Add: Shares allotted during the year on account of exercise of share options by employees	257,192	2.57
Add: Shares allotted during the year on account of bonus issue (refer note 12)	10,180,609	101.81
As at March 31, 2016	**40,788,686**	**407.89**
Add: Shares allotted during the year on account of exercise of share options by employees	165,485	1.66
Less: Buyback of shares during the year (refer note 42)	(1,170,000)	(11.70)
As at March 31, 2017	**39,784,171**	**397.84**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

b. Other Equity

For the year ended March 31, 2017

Rupees in Million

Particulars	Reserves and Surplus							Items of OCI	
	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Capital reserve	Retained earnings	Cashflow Hedging reserve	Total other equity
As at April 1, 2016	**1.49**	**0.38**	**961.89**	**176.38**	**983.17**	**0.10**	**7,005.12**	**149.03**	**9,277.56**
Profit for the period	-	-	-	-	-	-	3,311.48	-	3,311.48
Other comprehensive income (refer note 28)	-	-	-	-	-	-	(30.79)	359.82	329.03
Transfer to securities premium on account of exercise of stock options (refer note 13)	-	-	17.55	(17.55)	-	-	-	-	-
Cash dividends paid (refer note 14)	-	-	-	-	-	-	(40.79)	-	(40.79)
Dividend distribution tax on dividend (refer note 14)	-	-	-	-	-	-	(8.36)	-	(8.36)
Share based payment charge net off stock option cancelled / forfeited during the year (refer note 13)	-	-	-	(10.88)	-	-	-	-	(10.88)
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 13)	-	-	79.36	-	-	-	-	-	79.36
Amount transferred on account of buyback of shares (refer note 13)	-	11.70	(11.70)	-	-	-	-	-	-
Amount utilised on account of buy back of shares (refer note 13)	-	-	(915.79)	-	(983.17)	-	(443.89)	-	(2,342.85)
Shares application money received during the year	81.91	-	-	-	-	-	-	-	81.91
Shares alloted during the year	(81.02)	-	-	-	-	-	-	-	(81.02)
As at March 31, 2017	**2.38**	**12.08**	**131.31**	**147.95**	**0.00**	**0.10**	**9,792.77**	**508.85**	**10,595.44**

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

For the year ended March 31, 2016

Rupees in Million

Particulars	Reserves and Surplus							Items of OCI	
	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Capital reserve	Retained earnings	Cashflow Hedging reserve	Total other equity
As at April 1, 2015	**1.35**	**0.38**	**886.07**	**151.25**	**983.17**	**0.10**	**5,358.11**	**154.09**	**7,534.52**
Profit for the period	-	-	-	-	-	-	2,948.50	-	2,948.50
Other comprehensive income (refer note 28)	-	-	-	-	-	-	(19.21)	(5.06)	(24.27)
Transfer to securities premium on account of exercise of stock options (refer note 13)	-	-	36.51	(36.51)	-	-	-	-	-
Cash dividends paid (refer note 14)	-	-	-	-	-	-	(1,065.39)	-	(1,065.39)
Dividend distribution tax on dividend (refer note 14)	-	-	-	-	-	-	(216.89)	-	(216.89)
Share based payment charge net off stock option cancelled / forfeited during the year (refer note 13)	-	-	-	61.64	-	-	-	-	61.64
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 13)	-	-	141.12	-	-	-	-	-	141.12
Shares application money received during the year	143.83	-	-	-	-	-	-	-	143.83
Shares alloted during the year	(143.69)	-	-	-	-	-	-	-	(143.69)
Amount utilised for issue of bonus shares during the year (refer note 13)	-	-	(101.81)	-	-	-	-	-	(101.81)
As at March 31, 2016	**1.49**	**0.38**	**961.89**	**176.38**	**983.17**	**0.10**	**7,005.12**	**149.03**	**9,277.56**

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 30, 2017

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

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

1. Corporate information

The Company is engaged in providing Knowledge Process Outsourcing (KPO) services to global companies. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Company provides data management, analytics solutions and process outsourcing services to a host of global clients through a network of multiple locations in India, and abroad.

The standalone financial statements for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the directors on May 30, 2017.

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 by Companies (Indian Accounting standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

These financial statements for the year ended March 31, 2017 are the first financial statements of the Company prepared in accordance with Ind AS. Refer note 40 for information on how the Company adopted Ind AS.

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. Million, except when otherwise indicated.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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.

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 categorized 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rendering of services

Revenue from time and material and unit priced contracts are recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet date.

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Company presents revenues net of service tax and value added tax in its statement of profit and loss.

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.

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 or substantively 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

Advances paid towards acquisition of property, plant and equipment are disclosed as capital advances under other non - current assets.

On transition to Ind AS , the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

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 Value. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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

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

On transition to Ind AS , the Company has elected to continue with the carrying value of all its intangible assets recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

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. For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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. Recoverble 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 asset's. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 recognizes 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),

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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.

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. Re-measurements, comprising of actuarial gains and losses 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. 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.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 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 on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 Fair value through other comprehensive income (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.

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

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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 currently 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

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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 shareholders when the distribution is authorized 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 authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders of the Company. A corresponding amount is recognised directly in equity.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

a. 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.

b. 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.

c. 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 model (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.

d. 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.

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for the year ended March 31, 2017

		Computer hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Total
		Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
3.	PROPERTY, PLANT AND EQUIPMENT					
	Cost					
	As at April 1, 2015	183.05	250.09	45.86	150.35	629.35
	Additions	151.51	37.86	49.32	189.25	427.94
	Disposals	(14.55)	(40.33)	(4.24)	(10.45)	(69.57)
	As at March 31, 2016	320.01	247.62	90.94	329.15	987.72
	Additions	61.09	20.54	10.59	67.94	160.16
	Disposals	(19.57)	(0.02)	(3.23)	(4.56)	(27.38)
	As at March 31, 2017	361.53	268.14	98.30	392.53	1,120.50
	Depreciation and impairment					
	As at April 1, 2015	-	-	-	-	-
	Depreciation charge for the year	137.38	60.32	18.19	128.89	344.78
	Disposals	(13.27)	(34.88)	(2.92)	(7.59)	(58.66)
	As at March 31, 2016	124.11	25.44	15.27	121.30	286.12
	Depreciation charge for the year	115.67	65.07	19.18	110.64	310.56
	Disposals	(19.43)	(0.02)	(2.05)	(4.11)	(25.61)
	As at March 31, 2017	220.35	90.49	32.40	227.83	571.07
	Net Book Value					
	As at March 31, 2017	141.18	177.65	65.90	164.70	549.43
	As at March 31, 2016	195.90	222.18	75.67	207.85	701.60
	As at April 1, 2015	183.05	250.09	45.86	150.35	629.35

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for the year ended March 31, 2017

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Capital work in progress			
Leasehold Improvements	10.08	-	1.04
Furniture & Fixtures	0.74	-	0.21
Computer hardware	0.39	-	-
Office Equipments	-	-	10.24
TOTAL	11.21	-	11.49

		Computer Software Rupees in Million	Total Rupees in Million
4.	INTANGIBLE ASSETS		
	Cost		
	As at April 1, 2015	117.34	117.34
	Additions	20.11	20.11
	Disposals	-	-
	As at March 31, 2016	137.45	137.45
	Additions	22.69	22.69
	Disposals	-	-
	As at March 31, 2017	160.14	160.14
	Amortization and impairment		
	At April 1, 2015	-	-
	Depreciation charge for the year	71.85	71.85
	Disposals	-	-
	At March 31, 2016	71.85	71.85
	Depreciation charge for the year	53.51	53.51
	Disposals	-	-
	At March 31, 2017	125.36	125.36
	Net Book Value		
	At March 31, 2017	34.78	34.78
	At March 31, 2016	65.60	65.60
	At April 1, 2015	117.34	117.34

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
5.	FINANCIAL ASSETS			
5.1	Investments			
	Non current investments (Unqouted, carried at cost)			
	Investments in equity shares of subsidiaries			
	eClerx LLC (refer note 41)	459.80	65.18	56.67
	eClerx Limited	29.37	29.95	31.23
	eClerx Investments Limited (refer note 41)	-	366.73	353.23
	eClerx Private Limited	3.75	8.02	8.01
	eClerx Investments (UK) Limited	495.33	492.12	-
	Investments in preference shares of subsidiaries			
	eClerx Investments Limited (refer note 41)	605.67	642.64	642.64
	eClerx Investments (UK) Limited	1,344.77	1,344.77	-
		2,938.69	**2,949.41**	**1,091.78**
	Less: Provision for diminution in value of investments	(605.67)	(525.26)	(266.12)
		2,333.02	**2,424.15**	**825.66**
	Non current investments (Unqouted, carried at fair value through profit and loss)			
	8,000 Equity Shares (March 31, 2016: 8,000, April 1, 2015: Nil) Equity Shares of Re. 1 each fully paid up in Talentick Edusolutions Private Limited	2.40	2.40	-
		2.40	**2.40**	**-**
	Total Non-Current Investments	**2,335.42**	**2,426.55**	**825.66**
	Current investments (Quoted, carried at fair value through profit and loss)			
	Investments in mutual funds	2,513.99	2,191.36	1,552.94
	Total current investments	**2,513.99**	**2,191.36**	**1,552.94**
	Aggregate book value of quoted investments	2,513.99	2,191.36	1,552.94
	Aggregate market value of quoted investments	2,513.99	2,191.36	1,552.94
	Aggregate value of unquoted investments	2,335.42	2,426.55	825.66
	Aggregate amount of impairment in value of investments	605.67	525.26	266.12

Investments at fair value through profit or loss (fully paid) reflect investments in mutual funds. Refer note 37 for determination of their fair values.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
5.2	**Derivative instruments**			
	Derivative instruments at fair value through OCI			
	Cash flow hedges			
	Foreign exchange forward contracts	642.27	149.03	154.09
	Total derivative instruments at fair value through OCI	**642.27**	**149.03**	**154.09**
	Current	553.77	115.07	117.84
	Non-current	88.50	33.96	36.25
		642.27	**149.03**	**154.09**
	Derivative instruments at fair value through profit or loss			
	Derivatives not designated as hedges			
	Foreign exchange forward contracts	-	-	139.87
	Total derivative instruments at fair value through profit or loss	**-**	**-**	**139.87**
	Current	-	-	139.87
	Non-current	-	-	-
		-	**-**	**139.87**

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) and Euros (EUR).

Derivative instruments at fair value through profit and loss refect the positive change in fair value of those foreign exchange forward contracts, that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risks for expected sales.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
6	TRADE RECEIVABLES			
	Trade receivables	1,689.30	1,479.28	1,140.24
	Receivables from other related parties	7.20	6.05	65.87
	Total trade receivables	**1,696.50**	**1,485.33**	**1,206.11**
	Outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	-	-	4.43
	Other receivables			
	Unsecured, considered good	1,696.50	1,485.33	1,201.68
	Impairment allowance	-	-	-
	Total trade receivables	**1,696.50**	**1,485.33**	**1,206.11**

No trade or other receivable are due from directors or other officers of the company 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.

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
7.a.	CASH AND CASH EQUIVALENTS			
	Cash on hand	-	-	0.01
	Balances with bank:			
	In current accounts	1,177.78	1,915.64	1,566.42
	Earmarked bank balance towards dividend	1.32	1.69	1.66
	Earmarked bank balance towards fractional share payout	0.01	0.01	-
		1,179.11	**1,917.34**	**1,568.09**
7.b.	OTHER BANK BALANCES			
	Deposits with original maturity of more than three months but less than twelve months	1,669.00	421.98	880.00
	Deposits with original maturity of more than twelve months	49.50	-	-
	Interest receivable	70.44	14.69	45.76
	Deposits pledged with banks against bank guarantees	1.46	1.46	2.11
		1,790.40	**438.13**	**927.87**
		2,969.51	**2,355.47**	**2,495.96**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 7 days to 380 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.

As on November 8, 2016 and December 30, 2016, the Company did not hold any Specified Bank Notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The Company has not transacted during the period from November 8, 2016 to December 30, 2016 in Specified Bank Notes and other denomination notes.

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
8	LONG TERM LOANS			
	eClerx Employee Welfare Trust	114.57	-	-
		114.57	**-**	**-**
9	OTHER FINANCIAL ASSETS			
	Non-current			
	Corporate premises rent deposits	110.46	88.42	95.38
	Other deposits	5.04	4.35	2.90
		115.50	**92.77**	**98.28**
	Current			
	Unbilled revenue	927.77	906.34	934.12
	Staff accomodation rent deposits	0.30	0.30	0.96
	Recoverable expenses from client	10.30	9.63	14.18
	Other advances	13.94	13.43	20.83
		952.31	**929.70**	**970.09**
		1,067.81	**1,022.47**	**1,068.37**
	Break up of financial assets carried at amortised cost			
	Trade receivables (refer note 6)	1,696.50	1,485.33	1,206.11
	Cash and cash equivalents (refer note 7)	2,969.51	2,355.47	2,495.96
	Long term loans (refer note 8)	114.57	-	-
	Other financial assets (refer note 9)	1,067.81	1,022.47	1,068.37
	Total financial assets carried at amortised cost	**5,848.39**	**4,863.27**	**4,770.44**
10.	OTHER NON-CURRENT ASSETS			
	Capital advances	4.38	0.51	7.16
	Service tax credit	375.29	354.02	457.74
	Others	-	0.53	-
		379.67	**355.06**	**464.90**

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for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
11.	OTHER CURRENT ASSETS			
	Prepaid expenses	120.14	106.21	83.69
	Service tax and other tax credits	65.45	5.02	64.96
		185.59	**111.23**	**148.65**

		Equity shares		
		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
12	SHARE CAPITAL			
	Authorized share capital			
	50,010,000 (March 31, 2016: 50,010,000 and April 1, 2015: 50,010,000) shares of Rs. 10 each	500.10	500.10	500.10
	Issued, subscribed and fully paid up			
	39,784,171 (March 31, 2016: 40,788,686 and April 1, 2015: 30,350,885) shares of Rs. 10 each fully paid up	397.84	407.89	303.51

During the year ended March 31, 2016, the authorized share capital was increased by Rs. 100,000 i.e. 10,000 equity shares of Rs. 10 each on account of merger (refer note 41).

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. The Company has bought back 1,207,623 shares (P.Y. 37,623) during the period of 5 years immediately preceding the balance sheet date.

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for the year ended March 31, 2017

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% Holding	Number of shares	% Holding
Details of shareholders holding more than 5% shares in the Company				
Anjan Malik	9,974,701	25.07%	10,229,666	25.08%
PD Mundhra	9,968,997	25.06%	10,223,816	25.07%
Matthews India Fund	2,701,931	6.79%	3,059,957	7.50%

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, 2015	**886.07**
	Add: Premium on issue of shares allotted pursuant to exercise of options	141.12
	Add: Transferred from share based payment reserves on exercise of options	36.51
	Less: Bonus issued during the year	(101.81)
	As at March 31, 2016	**961.89**
	Add: Premium on issue of shares allotted pursuant to exercise of options	79.36
	Add: Transferred from share based payment reserves on exercise of options	17.55
	Less: Amount transferred to capital redemption reserve on account of buyback of shares	(11.70)
	Less: Amount adjusted on account of buyback of shares	(915.79)
	As at March 31, 2017	**131.31**
	Share based payment reserve	
	As at April 1, 2015	**151.25**
	Add: Charge for the year	170.79
	Less: Reversed on stock options cancelled / forfeiture during the year	(109.15)
	Less: Transfer to securities premium on exercise of stock options	(36.51)
	As at March 31, 2016	**176.38**
	Add: Charge for the year	47.07
	Less: Reversed on stock options cancelled / forfeiture during the year	(57.95)
	Less: Transfer to securities premium on exercise of stock options	(17.55)
	As at March 31, 2017	**147.95**

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	Rupees in Million
Hedging reserve	
As at April 1, 2015	**154.09**
Add: Net movement on cash flow hedges	(5.06)
As at March 31, 2016	**149.03**
Add: Net movement on cash flow hedges	493.24
Less: Deferred tax liability on net movement on cash flow hedges	(133.42)
As at March 31, 2017	**508.85**
Capital reserve	
As at April 1, 2015	**0.10**
Add: Transfer on account of merger (refer note 41)	-
As at March 31, 2016	**0.10**
As at March 31, 2017	**0.10**
Capital redemption reserve	
As at April 1, 2015	**0.38**
As at March 31, 2016	**0.38**
Add: Amount transferred from securities premium on account of buyback of shares	11.70
As at March 31, 2017	**12.08**
General reserve	
As at April 1, 2015	**983.17**
As at March 31, 2016	**983.17**
Less: Amount utilised on account of buy back of shares	(983.17)
As at March 31, 2017	**-**
Retained earnings	
As at April 1, 2015	**5,358.11**
Add: Profit during the year	2,948.50
Less: Remeasurement (losses) on defined benefit plans	(19.21)
Less: Dividend and dividend tax paid (refer note 14)	(1,282.28)
As at March 31, 2016	**7,005.12**
Add: Profit during the year	3,311.48
Less: Remeasurement (losses) on defined benefit plans	(30.79)
Less: Share buyback Expenses	(14.55)
Less: Amount utilised on account of buy back of shares	(429.34)
Less: Dividend and dividend tax paid (refer note 14)	(49.15)
As at March 31, 2017	**9,792.77**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Other reserves			
Securities premium account	131.31	961.89	886.07
Share based payment reserves	147.95	176.38	151.25
Hedging reserve	508.85	149.03	154.09
Capital reserve	0.10	0.10	0.10
Capital redemption reserve	12.08	0.38	0.38
General reserve	-	983.17	983.17
Retained earnings	9,792.77	7,005.12	5,358.11
	10,593.06	**9,276.07**	**7,533.17**
Share application money pending allotment			
As at April 1, 2015			**1.35**
As at March 31, 2016			**1.49**
As at March 31, 2017			**2.38**

The disaggregation of changes in Other Comprehensive Income (OCI) by each type of reserves in equity is disclosed in note 28.

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 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, 2016: Re. 1 per share (March 31, 2015: Rs. 35 per share)	40.79	1,065.39
	Dividend distribution tax on final dividend	8.36	216.89
		49.15	**1,282.28**
	Proposed dividends on equity shares:		
	Final cash dividend for the year ended on March 31, 2017: Re. 1 per share (March 31, 2016: Re. 1 per share)	46.82	40.79
	Dividend distribution tax on proposed dividend	8.10	8.36
		54.92	**49.15**

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, 2017.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
15.	EMPLOYEE BENEFIT OBLIGATIONS			
	Non-current			
	Gratuity (refer note 30)	157.57	117.74	110.49
		157.57	**117.74**	**110.49**
	Current			
	Gratuity (refer note 30)	30.00	25.00	10.10
	Compensated Absence	167.12	151.83	80.53
	Incentive to employees	250.07	226.82	196.75
		447.19	**403.65**	**287.38**
16.	OTHER NON-CURRENT LIABILITIES			
	Lease equalisation reserve	126.46	114.61	99.89
		126.46	**114.61**	**99.89**
17.	TRADE PAYABLES			
	Trade payables	37.03	31.07	8.63
	Trade payables to related parties	500.11	260.67	218.31
		537.14	**291.74**	**226.94**

- 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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
18.	OTHER FINANCIAL LIABILITIES			
	Accrued expenses	128.03	168.52	175.77
	Advance billing	66.40	43.47	19.50
	Payables for capital expenditure	10.27	12.83	23.88
	Unpaid dividend	1.32	1.69	1.66
	Unpaid fractional share payout	0.01	0.01	-
		206.03	**226.52**	**220.81**
	Break up of financial liabilities at amortised cost			
	Other financial liabilities (refer note 18)	206.03	226.52	220.81
	Trade payables (refer note 17)	537.14	291.74	226.94
		743.17	**518.26**	**447.75**
19.	OTHER CURRENT LIABILITIES			
	Statutory dues	44.52	38.83	52.69
	Lease equalisation reserve	12.69	7.30	-
		57.21	**46.13**	**52.69**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million
20.	INCOME TAXES		
	The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:		
	Statement of profit and loss: **Profit or loss section**		
	Current income tax:		
	Current income tax charge	845.91	884.37
	Adjustments in respect of current income tax of previous year	7.76	1.08
	Deferred tax:	(111.24)	51.72
	Income tax expense reported in the statement of profit or loss	**742.43**	**937.17**
	OCI section		
	Deferred tax related to items recognised in OCI during in the year:		
	Net movement on cash flow hedges	(133.42)	-
	Income tax charged to OCI	**(133.42)**	**-**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:		
	Accounting profit before income tax	4,053.91	3,885.67
	At India's statutory income tax rate of 34.61% (March 31, 2016: 34.61%)	1,402.98	1,344.75
	Tax effect of income not chargeable to tax	414.08	469.54
	Adjustments in respect of current income tax of previous years	7.76	1.08
	Utilisation of previously unrecognised MAT credit	179.25	145.90
	Non-deductible expenses for tax purposes	(59.46)	208.93
	Income tax expense reported in the statement of profit and loss at the effective income tax rate of 18.31% (March 31, 2016: 24.12%)	742.43	937.17

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	Balance Sheet			Profit & Loss	
	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million	for the year ended March 31, 2017 Rupees in Million	for the year ended March 31, 2016 Rupees in Million
Deferred tax:					
Deferred tax relates to the following:					
Accelerated depreciation for tax purposes	58.78	2.35	6.54	(56.43)	4.19
Gratuity	34.11	-	22.72	(34.11)	22.72
Expenses available for offsetting against future taxable income	20.70	-	24.81	(20.70)	24.81
Deferred Tax on revaluation of cash flow hedges	(133.42)	-	-	-	-
Deferred tax expense/(income)				**(111.24)**	**51.72**
Net deferred tax assets/(liabilities)	**(19.83)**	**2.35**	**54.07**		

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Reflected in the balance sheet as follows:			
Deferred tax assets	113.59	2.35	54.07
Deferred tax liabilities	(133.42)	-	-
Deferred tax assets/(liabilities) (net)	**(19.83)**	**2.35**	**54.07**
Reconciliation of deferred tax liabilities (net):			
Opening balance	2.35	54.07	28.75
Tax income/(expense) during the period recognised in profit or loss	111.24	(51.72)	18.87
Tax (expense) during the period recognised in OCI	(133.42)	-	-
Add: Deferred Tax assets on account of scheme of amalgamation (refer note 41)	-	-	6.45
Closing balance	**(19.83)**	**2.35**	**54.07**

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, 2017 and March 31, 2016, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
21.	REVENUE FROM OPERATIONS		
	Sales of services	11,620.22	11,058.85
		11,620.22	**11,058.85**
22.	OTHER INCOME		
	Gain on foreign exchange fluctuation (net)	-	278.04
	Dividend	132.92	52.31
	Interest income on fixed deposit	112.70	34.48
	Interest income on Corporate Rent Deposits	13.27	11.92
	Profit on sale of current investments	-	7.80
	Interest income on loan to ESOP trust	5.07	-
	Miscellaneous Income	0.36	4.40
	Fair value gain on financial instruments (mutual funds) at fair value through profit or loss	20.47	0.35
		284.79	**389.30**
23.	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	3,792.48	3,661.38
	Contribution to provident and other funds	83.70	67.70
	Employee stock compensation	(0.64)	39.52
	Gratuity expense (refer note 30)	39.57	27.63
	Staff welfare expense	30.56	33.37
		3,945.67	**3,829.60**
24.	DEPRECIATION AND AMORTIZATION EXPENSE		
	Depreciation of tangible assets (refer note 3)	310.56	344.78
	Amortization of intangible assets (refer note 4)	53.51	71.85
		364.07	**416.63**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

		For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
25.	OTHER EXPENSE		
	Sales and marketing services	1,819.94	1,579.89
	Office base rentals	399.89	385.82
	Travelling expenses	215.74	244.98
	Communication expenses	131.44	123.40
	Legal and professional charges	126.83	116.23
	Repairs and maintenance		
	Building	13.55	4.64
	Others	8.77	10.52
	Rates and taxes	18.28	17.20
	Office expenses	41.67	43.24
	Housekeeping Services	38.55	32.67
	Security charges	55.44	60.45
	Other insurance	10.03	8.39
	Subscription & Membership fees	6.41	9.05
	Electricity	84.50	99.72
	Local conveyance	78.71	74.73
	Computer and electrical consumables	140.66	110.16
	Printing and stationery	8.46	9.79
	Bad debts written off	-	0.04
	Business and promotion	5.23	3.15
	Bank charges	12.33	6.89
	Directors' sitting fees	0.99	1.18
	Auditor's remuneration	7.80	7.27
	Loss on foreign exchange fluctuation (net)	97.29	-
	Loss on sale of current investments	2.16	-
	Loss on sale of fixed assets/asset disposed off (net)	0.56	6.83
	Corporate Social Responsibility ('CSR') expenditure (refer details below)	64.44	53.64
	Miscellaneous expenses	10.89	18.72
		3,400.56	**3,028.60**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Payments to auditors:		
As auditor		
Audit fee	3.20	3.80
Limited review	3.00	2.70
In other capacity:		
Other services (certification fees)	1.33	0.40
Reimbursement of expenses	0.27	0.37
	7.80	7.27

Details of CSR expenditure:

Gross amount required to be spent by the Company during the year: Rs. 64.68 Million (March 31, 2016 Rs. 53.29 Million)

Rupees in Million

	In cash	Yet to be paid in cash	Total
For the year ended March 31, 2017			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	64.44	-	64.44
For the year ended March 31, 2016			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	53.64	-	53.64

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	As at March 31			Currency	Face value	As at March 31		
	2017	2016	2015			2017	2016	2015
	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	100	USD	1	459.80	65.18	56.67
eClerx Limited	100	100	100	GBP	1	29.37	29.95	31.23
eClerx Investments Limited	-	5,819,323	5,819,323	GBP	1	-	366.73	353.23
eClerx Private Limited	1	1	1	SGD	1	3.75	8.02	8.01
eClerx Investments (UK) Limited	5,251,224	5,251,224	-	GBP	1	495.33	492.12	-
Investments in unquoted preference shares (Fully paid up) of Subsidiary [Trade]								
eClerx Investments Limited	-	7,776,000	7,776,000	GBP	1	605.67	642.64	642.64
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 (refer note 28)						(605.67)	(525.26)	(266.12)
Total						**2,335.42**	**2,426.55**	**825.66**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	As at March 31			As at March 31		
	2017	2016	2015	2017	2016	2015
Investments in Indian money market mutual funds	Number of units			Rupees in Million		
27. DETAILS OF CURRENT INVESTMENTS						
Birla Sun Life Savings Fund - Daily Dividend - Direct Plan	1,001,590	591,297	1,511,019	100.46	59.31	209.02
Birla Sun Life Floating Rate Fund STP-IP-Reinvestment-Daily Dividend	305,552	492,682	1,112,427	30.56	49.28	111.30
Birla Sun Life Floating Rate short Term - Direct Plan - Daily Dividend	-	4,258,509	-	-	50.00	-
Birla Sun Life Cash Plus - Daily Dividend	505,392	-	1,500,406	50.64	-	150.33
Birla Sun Life Floating Rate Fund LTP-IP-Daily Dividend	1,511,200	-	-	151.71	-	-
Birla Sun Life Short Term Fund- Monthly Dividend	4,521,344	-	-	53.35	-	-
Birla Sun Life Floating Rate Long Term - Direct Plan - Daily Dividend	-	211,433	485,072	-	21.38	48.70
Kotak Liquid Scheme Plan A Daily Dividend	-	-	106,593	-	-	130.34
Kotak Floater Short Term - Direct Plan - Daily Dividend	80,085	97,533	29,743	81.02	98.67	30.09
Kotak Low Duration Fund Direct Weekly Dividend	322,823	315,074	-	387.55	357.70	-
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend	-	1,807,855	1,500,910	-	181.04	150.31
ICICI Prudential Money Market Fund Cash Option	2,406,175	-	-	240.96	-	-
ICICI Prudential Flexible Income Plan	991,542	-	-	104.84	-	20.13
ICICI Prudential Savings Fund - Direct Plan - Daily Dividend	2,405,733	1,008,448	506,904	242.78	101.16	50.95
Reliance Medium Term Fund-Direct Plan Daily Dividend	16,491,469	11,803,225	-	281.94	201.79	-
Reliance Money Manager Fund -ISIN - Daily Dividend	-	-	151,536	-	-	151.82
Reliance Liquid Fund - Cash Plan -Direct Plan Daily Dividend	-	134,939	-	-	150.34	-
IDFC Cash Fund - Daily Dividend - Direct Plan	-	-	40,080	-	-	40.11
IDFC Super Saver Income Fund -ST Plan	10,302,887	-	-	106.16	-	-
IDFC Ultra Short Term Fund - Direct Plan - Daily Dividend	-	-	10,186,014	-	-	102.42
HDFC Cash Management Fund-Savings Plan-Direct Plan-Daily Dividend	-	-	14,131,845	-	-	150.31
HDFC FRIF - Short Term Plan - Direct Plan - Daily Dividend	-	9,990,137	6,403,160	-	100.71	64.55
HDFC Cash Mgmt Fund - Treasury Advantage	17,927,519	-	-	180.45	-	-
Baroda Pioneer Treasury Advantage Fund - Plan B Daily Dividend	-	164,488.223	-	-	165.95	-
IDFC Super Saver Income Fund - ST - Direct Plan-Fortnightly Dividend	-	9,743,265	-	-	100.28	-
DSP Black Rock Short Term Fund - Direct Plan - Weekly Dividend	10,426,350	9,838,737	-	106.21	100.16	-
DWS Insta Cash Plus Fund	-	-	613,223	-	-	61.51
UTI Liquid Fund Cash Plan	166,787	-	79,534	170.03	-	81.05
UTI - Money Market Fund -Institutional Plan-Direct Plan-Daily Dividend	124,772	149,665	-	125.19	150.17	-
UTI - Treasury Advantage Fund - Institutional Plan - Direct Plan - Daily Dividend	99,902	281,615	-	100.14	282.27	-
Birla Sun Life Floating Rate Fund LTP - IP - Daily Dividend	-	51,054	-	-	5.13	-
ICICI Prudential Flexible Income Plan	-	151,557	-	-	16.02	-
Total				**2,513.99**	**2,191.36**	**1,552.94**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
28. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI) AND EXPECTIONAL ITEMS			
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2017:			
Net movement on cash flow hedges	359.82	-	359.82
Remeasurement losses on defined benefit plans	-	(30.79)	(30.79)
	359.82	**(30.79)**	**329.03**
During the year ended March 31, 2016:			
Net movement on cash flow hedges	(5.06)	-	(5.06)
Remeasurement losses on defined benefit plans	-	(19.21)	(19.21)
	(5.06)	**(19.21)**	**(24.27)**

	March 31, 2017	March 31, 2016	April 1, 2015
	Rupees in Million	Rupees in Million	Rupees in Million
Exceptional items			
Provision for dimunition in value of investment	80.41	259.14	266.12
	80.41	**259.14**	**266.12**

The Hon'ble High Court of Bombay vide its order dated July 1, 2016 has sanctioned the Scheme of Amalgamation of Agilyst Consulting Private Limited (ACPL) with the Company with an appointed date of April 1, 2015. The Scheme has been given effect to in the books of accounts of the Company with effect from April 1, 2015. The Company had hence reviewed the carrying value of investment in Agilyst Inc. made through its subsidiary eClerx Investments Limited and made a provision for diminution in value of Rs 266.12 Million in the standalone financials as on April 1, 2015.

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

The merger of ACPL with the Company resulted in a tax liability in Agilyst Inc. eClerx Investments Ltd was also wound-up on March 28, 2017 for administrative convenience and maintaining lean corporate structure. The Company had hence reviewed the carrying value of investment in eClerx Investments Ltd and made a provision for diminution in value of Rs 80.41 Million in the standalone financials for the year ended March 31, 2017.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 share, and also the weighted average number of equity shares, which would be issued on the conversion of all dilutive potential 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, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Profit attributable to equity holders	3,311.48	2,948.50
Weighted average number of equity shares for computing basic EPS	40,540,096	40,657,929
Dilutive impact of employee stock options	455,768	896,638
Weighted average number of equity shares adjusted for the effect of dilution	40,995,864	41,554,567
Earnings per equity share (Rs.)		
Basic	81.68	72.52
Diluted	80.78	70.95

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, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Current service cost	28.92	19.24
Interest cost on benefit obligation	11.15	8.64
Return on plan assets (excluding amounts included in net interest expense)	(0.50)	(0.25)
	39.57	**27.63**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	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, 2015	124.16	3.57	120.59
Gratuity cost charged to Statement of profit and loss			
Service cost	19.24	-	19.24
Net interest expense	8.64	-	8.64
Return on plan assets (excluding amounts included in net interest expense)	-	0.25	(0.25)
Sub-total included in Statement of profit and loss (refer note 23)	**27.88**	**0.25**	**27.63**
Benefits paid			
from fund	(23.56)	(24.05)	0.49
paid by employer	(0.18)	-	(0.18)
Remeasurement losses in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	(12.46)	-	(12.46)
Actuarial changes arising from changes in financial assumptions	10.06	-	10.06
Experience adjustments	21.61	-	21.61
Sub-total of remeasurment losses included in OCI (refer note 28)	**19.21**	**-**	**19.21**
Contributions by employer	-	25.00	(25.00)
Employee benefit liability as on March 31, 2016	**147.51**	**4.77**	**142.74**
Employee benefit liability as on April 1, 2016	**147.51**	**4.77**	**142.74**
Gratuity cost charged to Statement of profit and loss			
Service cost	28.92	-	28.92
Net interest expense	11.15	-	11.15
Return on plan assets (excluding amounts included in net interest expense)	-	0.50	(0.50)
Sub-total included in Statement of profit and loss (refer note 23)	**40.07**	**0.50**	**39.57**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	Defined benefit obligation	Fair value of plan assets	Total
	Rupees in Million	Rupees in Million	Rupees in Million
Benefits paid			
from fund	(26.37)	(26.37)	-
paid by employer	-	-	-
Adjustment on account of merger (refer note 41)	-	0.53	(0.53)
Remeasurement losses in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	13.28	-	13.28
Experience adjustments	17.51	-	17.51
Sub-total of remeasurment losses included in OCI (refer note 28)	**30.79**		**30.79**
Contributions by employer	-	25.00	(25.00)
Employee benefit liability as on March 31, 2017	**192.00**	**4.43**	**187.57**

	March 31, 2017	March 31, 2016	April 1, 2015
	%	%	%
The principal assumptions used in determining gratuity obligations of the Company are shown below:			
Discount rate:			
India gratuity plan	7.12	7.56	7.99
Future salary increases:			
India gratuity plan	7.00	7.00	7.00
Assumption:			
Expected return on plan assets	7.12	7.56	7.99
Employee turnover:			
a. For service 4 years and below (p.a.)	30.00	30.00	30.00
b. For service 5 years and above (p.a.)	2.00	2.00	5.00

Mortality rate during employment is based on report of Indian Assured Lives Mortality (2006-08).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million
A quantitative sensitivity analysis for significant assumption is as shown below:		
Effect of +1% Change in discount rate	(28.46)	(22.03)
Effect of -1% Change in discount rate	35.38	27.42
Effect of +1% Change in Future salary increases	27.59	21.69
Effect of -1% Change in Future salary increases	(24.17)	(18.96)
Effect of +1% Change in Employee Turnover	2.12	2.77
Effect of -1% Change in Employee Turnover	(2.61)	(3.39)

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.

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million
The following payments are expected contributions to the defined benefit plan in future years:		
Within the next 12 months (next annual reporting period)	5.54	3.12
Between 2 and 5 years	20.50	24.43
Between 5 and 10 years	34.49	64.34
Total expected payments	**60.53**	**91.89**

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2016: 10 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.

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	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
The expense recognised for employee services received during the year is shown in the following table:		
Expense arising from equity-settled share-based payment transactions	(0.64)	39.52
Total Expense arising from share-based payment transactions	**(0.64)**	**39.52**

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, 2017		March 31, 2016	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	55,867	506.52	182,969	537.05
Adjusted during the year for bonus*	-	-	20,750	-
Forfeited during the year*	-	-	1	690.26
Exercised during the year*	39,466	501.88	147,851	473.21
Outstanding at the end of the year*	**16,401**	**517.70**	**55,867**	**506.52**
Exercisable at the end of the year	16,401		55,867	

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

The weighted average share price at the date of exercise of these options was Rs. 1,465 per share (March 31, 2016: Rs. 1,613.31)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 0.01 years (March 31, 2016: 0.96 years).

The exercise prices for options outstanding at the end of the year was Rs. 517.70 (March 31, 2016: Rs. 257.50 to Rs. 517.70).

The average vesting period is 2.83 years and exercise period is 3 years.

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for the year ended March 31, 2017

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, 2017		March 31, 2016	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	1,988,055	857.24	1,478,235	867.88
Adjusted during the year for bonus*	-	-	560,498	-
Granted during the year	-	-	604,110	1,595.00
Forfeited during the year*	580,962	671.14	545,447	727.55
Exercised during the year*	126,019	485.67	109,341	674.23
Outstanding at the end of the year*	**1,281,074**	**978.19**	**1,988,055**	**857.24**
Exercisable at the end of the year	162,504		79,301	

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

The weighted average share price at the date of exercise of these options was Rs. 1,444 per share. (March 31, 2016: Rs. 1,523.70)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 2.68 years (March 31, 2016: 3.98 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, 2016: Rs. 463.91 to Rs.1,196.25).

There were no grants given in current year under this scheme. The weighted average fair value of options granted during the previous year was Rs. 676.34.

The following tables list the inputs to the models used for fair valuation of the options granted in the year ended March 31, 2016:

Date of grant	May 25, 2015
Dividend yield (%)	2.19%
Expected volatility (%)	31.00%
Risk–free interest rate (%)	7.72%
Expected life of share options (years)	4.35
Model used	Black and Scholes
Stock Price (Rs.)	1,595.00
Exercise Price (Rs.)	1,595.00

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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 authorized for secondary acquisition and accordingly during the year under review, ESOP Trust has bought 75,113 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, 2017	
	No. of options	WAEP
Outstanding at the beginning of the year	-	-
Granted during the year	324,162	1,379.15
Forfeited during the year	24,954	1,379.15
Exercised during the year	-	-
Outstanding at the end of the year	299,208	-
Exercisable at the end of the year	-	

These options are not yet vested as of March 31, 2017.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 5 years

The exercise prices for options outstanding at the end of the year was Rs. 1,379.15

The weighted average fair value of options granted during the year was Rs. 462.43

The average vesting period is 2.86 years and exercise period is 3 years.

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for the year ended March 31, 2017

The following tables list the inputs to the models used for fair valuation of the options granted in the year ended March 31, 2017 :

Date of grant	May 20, 2016
Dividend yield (%)	2.41%
Expected volatility (%)	33.26%
Risk–free interest rate (%)	7.29%
Expected life of share options (years)	3.87
Model used	Black and Scholes
Stock Price (Rs.)	1,450.25
Exercise Price (Rs.)	1,379.15

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.

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.

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Lease payments recognised in the statement of profit and loss	399.89	385.82	285.30
Future minimum lease payments for non-cancellable operating leases			
Within one year	88.21	122.95	110.21
After one year but not more than five years	80.06	74.30	189.57
Total	**168.27**	**197.25**	**299.78**

b. Commitments

Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5.91	16.90	52.20
Other Commitments			
The Company signed on March 31, 2015 a definitive agreement to acquire 100% of CLX Europe, S.P.A. through its overseas subsidiary eClerx Investments (UK) Limited and the closing documents to effect the same acquisition were signed on April 21, 2015.	-	-	1,687.75

NOTES TO THE FINANCIAL STATEMENTS

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		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
c.	Contingent liabilities			
	Guarantees given by the Company on behalf of various subsidiaries against credit card facilities (refer note a)	-	4.44	4.25
	Income Tax demands (refer note b)	78.77	51.58	39.30
	Indirect Tax demands (refer note c)	12.02	7.76	7.76

Notes:

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

These guarantees have been given in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

(b) The Company has received favorable orders from ITAT against the demand raised by the Assessing Officers amounting to Rs. 13.20 Million for Financial Years 2004-05 and 2006-07. The department has preferred appeal to High Court for Financial Years 2004-05 and 2006-07 and filed Special Leave Petition with Supreme Court for Financial Years 2006-07 and 2007-08.The Company has received demand amounting to Rs. 17.17 Million for Financial Year 2010-11 against which Company has filed appeal with Income tax appellate tribunal.

The Company's subsidiary Agilyst Consulting Private Limited, which has been merged with effect from April 1, 2015 with the Company, has received demand amounting to Rs. 48.35 Million for Financial Years 2009-10, 2010-11, 2011-12 and 2012-13 against which the Company's subsidiary has filed appeals with Commissioner of Income Tax (Appeals) and Income tax appellate tribunal..

(c) Tax Refund claims for the period July 2014 till December 2015 to the extent rejected by the Services Tax Deparment for Rs.9.58 Million is pending in appeal before the Commissioner of Central Excise (Appeals)

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

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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 Investments Limited (wholly owned subsidiary, liquidated w.e.f March 28, 2017)
4. eClerx Private Limited (wholly owned subsidiary)
5. Agilyst Inc (100% subsidiary of eClerx Investments Limited, merged with eClerx LLC w.e.f. January 1, 2017)
6. Agilyst Consulting Private Limited (100% subsidiary of Agilyst Inc., merged with eClerx Services Limited w.e.f. April 1, 2015)
7. eClerx Investments (UK) Limited (wholly owned subsidiary)
8. CLX Europe S.P.A. (100% subsidiary of eClerx Investments (UK) Limited)
9. Sintetik S.R.L. (100% subsidiary of CLX Europe S.P.A.)
10. CLX Europe Media Solution GmbH (100% subsidiary of CLX Europe S.P.A.)
11. CLX Europe Media Solution Limited (100% subsidiary of CLX Europe Media Solutions GmbH)
12. CLX Thai Company Limited (49% holding of CLX Europe S.P.A.)
13. eClerx Employee Welfare Trust (Entity under control of the Company)
14. eClerx Canada Limited (wholly owned subsidiary of eClerx Investments (UK) Limited w.e.f September 27, 2016)

(b) Related party under Indian Accounting Standard 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

(II) Key Management Personnel:

1. V.K. Mundhra ((Non-Executive Director - Chairman)
2. PD Mundhra (Executive Director)
3. Anjan Malik ((Non-Executive Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Gaurav Tongia (Company Secretary)
6. Biren Gabhawala (Non-Executive Independent Director)
7. Anish Ghoshal (Non-Executive Independent Director)
8. Vikram Limaye (Non-Executive Independent Director)
9. Pradeep Kapoor (Non-Executive Independent Director)
10. Alok Goyal (Non-Executive Independent Director)
11. Deepa Kapoor (Non-Executive Independent Director)
12. Shailesh Kekre (Non-Executive Independent Director)

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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, 2017 Rupees in Million	March 31, 2016 Rupees in Million	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million	April 1, 2015 Rupees in Million
eClerx Limited	Sales and Marketing Services	450.72	471.33	101.62	90.75	115.73
	Expenses incurred by holding Company on behalf of subsidiary	0.01	1.29	Payable	Payable	Payable
	Amount received by holding Company on behalf of the subsidiary	4.48	10.67			
eClerx LLC	Sales and Marketing Services	1,226.37	984.44	379.82	96.85	92.66
	Expenses incurred by holding Company on behalf of subsidiary	1.26	8.28	Payable	Payable	Payable
	Amount received by subsidiary on behalf of the holding Company	8.76	3.15			
	Amount received by holding Company on behalf of the subsidiary	5.01	0.30			
Agilyst, Inc.	Sales and Marketing Services	93.09	62.03	-	61.28	65.85
	ITES Services provided by the ultimate holding Company to step down subsidiary	-	480.46		Payable	Receivable
eClerx Private Limited	Sales and Marketing Services	49.76	62.09	18.67	11.79	9.92
	Expenses incurred by holding Company on behalf of subsidiary	0.51	0.41	Payable	Payable	Payable
	Expenses incurred by subsidiary on behalf of holding Company	-	0.35			
CLX Europe S.P.A.	Services provided by the ultimate holding Company to step down subsidiary	58.54	28.15	7.20 Receivable	6.05 Receivable	-
	Services provided by step down subsidiary to the ultimate holding Company	34.07	-	-	-	-
eClerx Investments (UK) Ltd	Investment in Equity Shares and Optionally Convertible Preference Shares by holding Company	-	1,835.52	-	-	-
eClerx Employee Welfare Trust*	Loan given including accured interest	114.57	-	114.57 Receivable	-	-

*Entity under control of the Company

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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, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
		Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
Duncan Stratton & Company Limited	Rent	0.03	0.06	-	-	-

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 for allotment to employees under the stock option schemes.The loan is unsecured and repayable in full. The interest rate charged is 16.05%. The loan has been utilised for the purpose it was granted.

Transactions with key management personnel

Name	Nature of Transaction	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Anjan Malik	Dividend	10.23	277.28
PD Mundhra	Dividend	10.22	277.13
V.K. Mundhra	Dividend	0.04	1.13
Rohitash Gupta	Dividend	0.06	2.57
Gaurav Tongia	Dividend	0.00	0.03
Biren Gabhawala	Commission & Sitting Fees	1.85	1.74
Anish Ghoshal	Commission & Sitting Fees	1.85	1.74
Vikram Limaye	Commission & Sitting Fees	1.79	1.68
Pradeep Kapoor	Commission & Sitting Fees	1.79	1.66
Alok Goyal	Commission & Sitting Fees	1.75	1.66
Deepa Kapoor	Commission & Sitting Fees	1.83	1.70
Shailesh Kekre	Commission & Sitting Fees	0.10	-
V.K.Mundhra	Buy Back of shares	2.14	-
PD Mundhra	Buy Back of shares	509.64	-
Anjan Malik	Buy Back of shares	509.93	-
Pradeep Kapoor	Buy Back of shares	0.95	-
Biren Gabhawala	Buy Back of shares	0.33	-
Rohitash Gupta	Buy Back of shares	3.56	-

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for the year ended March 31, 2017

	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Compensation of key management personnel of the Company		
PD Mundhra		
Short-term employee benefits	13.80	22.30
Rohitash Gupta		
Short-term employee benefits (including stock option gain)	11.52	9.33
Share-based payment transactions	-	2.71
Gaurav Tongia		
Short-term employee benefits (including stock option gain)	3.66	2.99
Share-based payment transactions	0.30	0.21
Total compensation paid to key management personnel	**29.28**	**37.54**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

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.

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The following tables present revenue and assets information regarding the Company's geographical segments:

	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Revenue from customers		
United States of America	8,573.79	8,286.34
United Kingdom	626.40	775.88
Europe	1,627.85	1,558.54
Asia Pacific	792.18	438.09
Total Revenue	**11,620.22**	**11,058.85**

The Company has three customers with revenue greater than 10% each of total company revenue totalling Rs. 5,765.61 Million for the year ended March 31, 2017 and two customers with revenue greater than 10% each of the company revenue totalling Rs. 4,780.85 Million for the year ended March 31, 2016.

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million
Non - current operating assets		
Asia Pacific	975.09	1,122.26
Total Assets	**975.09**	**1,122.26**

Note: Non - current operating assets for this purpose consists of property plant and equiment, capital work in progress, other intangibles and other non - current 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 and EUROs. These forecast transactions are highly probable, and they comprise about 72.64% of the Company's total expected sales. 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.

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While the Company also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Type of Hedge and Risks	Nominal Value	Carrying amount of hedging instrument		Maturity date	Weighted average forward rate
		Assets	Liabilities		
	Rupees in Million	Rupees in Million	Rupees in Million		
March 31, 2017					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,108.95	582.94	-	April 2017 - March 2019	71.83
Foreign exchange forward contracts - EURO	439.21	59.33	-	April 2017 - March 2018	82.71
March 31, 2016					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	7,342.92	134.22	-	April 2016 - March 2018	70.63
Foreign exchange forward contracts - EURO	1,477.22	14.81	-	April 2016 - March 2018	80.63
April 1, 2015					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	6,778.19	51.98	-	April 2015 - March 2017	67.12
Foreign exchange forward contracts - EURO	1,024.69	102.11	-	April 2015 - March 2017	85.68

The cash flow hedges of the expected future sales during the year ended March 31, 2017 were assessed to be highly effective and a net unrealised gain of Rs. 642.27 Million, with a deferred tax liability of Rs.133.42 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, 2016 were assessed to be highly effective and an unrealised gain of Rs 149.03 Million was included in OCI in respect of these contracts.

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The amounts removed from OCI during the year and included in the carrying amount of the hedging items as a basis of adjustment for the year ended March 31, 2017, totalling Rs. 115.07 Million (March 31, 2016: Rs. 257.71 Million). The amounts retained in OCI at March 31, 2017 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2018.

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, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets						
Financial investments	2,513.99	2,191.36	1,552.94	2,513.99	2,191.36	1,552.94
Foreign exchange forward contracts	642.27	149.03	293.96	642.27	149.03	293.96
Security deposits	168.20	153.50	153.94	110.46	88.42	95.38
Total	**3,324.46**	**2,493.89**	**2,000.84**	**3,266.72**	**2,428.81**	**1,942.28**

The management assessed that cash and cash equivalents, 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:

Trade receivables are evaluated by the Company based on specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the FVTPNL (Fair value through profit and loss) financial assets 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, 2017, 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.

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37. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Rupees in Million

	Date of valuation	Total	Fair value measurement using		
			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, 2017	642.27	-	642.27	-
FVTPNL financial investments (refer note 36):					
Investments in Quoted Mutual Funds	March 31, 2017	2,513.99	2,513.99	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:

Rupees in Million

	Date of valuation	Total	Fair value measurement using		
			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, 2016	149.03	-	149.03	-
FVTPNL financial investments (refer note 36):					
Investments in Quoted Mutual Funds	March 31, 2016	2,191.36	2,191.36	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:

Rupees in Million

	Date of valuation	Total	Fair value measurement using		
			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	April 1, 2015	293.96	-	293.96	-
FVTPNL financial investments (refer note 36):					
Investments in Quoted Mutual Funds	April 1, 2015	1,552.94	1,552.94	-	-

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for the year ended March 31, 2017

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 FVTPNL 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, FVTPNL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

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, 2017.

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, 2017 and March 31, 2016 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, 2016 and March 31, 2017 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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.
At March 31, 2017, the Company hedged 73% (March 31, 2016: 76%, April 1, 2015: 80%) of its expected foreign currency sales. 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 EUR rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2017	+5%	113.33	(426.30)
	-5%	(113.33)	426.30
March 31, 2016	+5%	115.51	(360.44)
	-5%	(115.51)	360.44

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2017	+5%	14.16	(18.99)
	-5%	(14.16)	18.99
March 31, 2016	+5%	12.43	(73.12)
	-5%	(12.43)	73.12

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 was Rs. 2.4 Million. No sensitivity analysis done since amount is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

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.

Trade receivables are evaluated by the Company based on specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.The impairment is Nil as of March 31, 2017, Rs 0.04 Million as of March 31, 2016 and Nil as of April 1, 2015.

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, 2017					
Other financial liabilities	-	187.26	18.77	-	206.03
Trade and other payables	-	533.30	3.84	-	537.14
	-	720.56	22.61	-	743.17

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

Rupees in Million

	On demand	Less than 3 months	3 to 12 months	> 1 years	Total
Year ended March 31, 2016					
Other financial liabilities	-	216.01	10.51	-	226.52
Trade and other payables	-	253.01	38.73	-	291.74
	-	469.02	49.24	-	518.26

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, 2017 and March 31, 2016.

40. FIRST-TIME ADOPTION OF IND AS

The Company has prepared its financial statements to comply with Ind AS for the year ending March 31, 2017, together with comparative information for the year ended March 31, 2016. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

A. Exemptions availed :

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

Deemed cost

Ind AS 101 allows a first time adopter to continue with the carrying value for all its Property, Plant and Equipment and Intangible Assets as recognised in its previous GAAP financials on the date of transition. The Company has opted for this exemption and decided to carry its Property, Plant and Equipment and Intangible assets at Carrying value as per Indian GAAP on the date of transition i.e. April 1, 2015.

Investment in subsidiaries and associates

Ind AS 101 allows a First time adopter to account for its Investments in Subsidiaries, Joint Ventures and Associates either at cost or in accordance with Ind AS 109. The Company has elected to account for its investments in subsidiary at cost, which is equal to the deemed cost as per the previous GAAP on the date of transition.

Share based payment

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015.

B. Mandatory Exemptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transaction that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2015 are reflected as hedges in the Company's results under Ind AS. The Company has designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the Company had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently the Company continues to apply hedge accounting on and after the date of transition to Ind AS.

Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation of equity under previous GAAP and IND AS

	Note	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Net worth under Previous GAAP		**9,530.81**	**6,465.95**
Proposed dividend	1	49.09	1,284.56
FVTPNL financial assets	2	0.42	0.07
Share - based payments	4	114.80	89.95
Loans and Advances	5	(8.59)	(6.59)
Adjustment items on account of merger	6		
- Transfer of assets and liabilities on merger with ACPL		263.54	266.02
- Diminution in investment in eClerx Investment Limited		(266.12)	(266.12)
Others		1.50	4.19
Net worth under IND AS		**9,685.45**	**7,838.03**

Company reconciliation of profit or loss for the year ended March 31, 2016

	Note	March 31, 2016 Rupees in Million
Net income for the period under Previous GAAP		**2,976.44**
FVTPNL financial assets	2	0.35
Defined benefit obligation	3	19.21
Share - based payment	4	(42.93)
Loans and Advances	5	(2.00)
Adjustment item on account of merger	6	(45.19)
Others		42.62
Net profit for the period under Ind AS (before OCI)		**2,948.50**
Other comprehensive income net of tax		(24.27)
Net profit for the period under Ind AS		**2,924.23**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

1. Proposed dividend

Under Indian GAAP, proposed dividends and dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind - AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Company (i.e. when approved by shareholders in a general meeting) or paid.

In case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of Rs. 1,284.56 Million for the year ended March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 1, 2015. The proposed dividend for the year ended March 31, 2016 of Rs. 49.09 Million recognised under Indian GAAP was reduced from other payables and with a corresponding impact in retained earnings. The net impact on retained earnings as on March 31, 2016 was Rs. 49.09 Million.

2. Fair Value through Profit and Loss (FVTPNL) financial assets

Under Indian GAAP investment in mutual funds are carried at lower of cost and fair value. Under Ind-AS, the Company designated such investments as FVTPNL investments. Ind-AS required FVTPNL investments to be measured at fair value. At the date of transition to Ind-AS, diference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings. This has resulted in increase in retained earnings of Rs. 0.42 Million and Rs. 0.07 Million as on March 31, 2016 and April 1, 2015 respectively and a increase in net profit by Rs. 0.35 Million for year ended March 31, 2016.

3. Defined benefit obligation

Under Ind AS, re-measurements, i.e., actuarial gains and losses, the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised in Other Comprehensive Income instead of Statements of Profit and Loss. Thus the employee benefit cost is reduced by Rs. 19.21 Million and remeasurement gains/losses on defined benefit plans has been recognised in the OCI.

4. Share - based payments

Under the Indian GAAP, the cost of equity settled employee share based programs were recognised using the intrinsic value method. Under Ind AS the same needs to be recognised based on the fair value of options on the grant date. Share options expense totalling to Rs. 151.25 Million, which were granted before and still unvested as at April 1, 2015, have been recognised as a separate component of equity against retained earnings. An additional expense of Rs. 42.93 Million has been recognised in the profit or loss for the year ended March 31, 2016 and cross charge to the subsidiaries has been accounted in investment in subsidiaries.

Consequently expenses of Rs. 45.19 Million of Agilyst Consulting Private Limited had to be accounted in eClerx Services Limited books for year ended March 31, 2016.

5. Loans and Advances

Under Indian GAAP, the Company recognised interest free rent deposit at transaction value, however under Ind AS the security deposits are required to be fair valued. This difference between the present value and the principal amount of the

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

deposit paid at inception to be accounted for as prepaid lease payments, to be recognised as an expense on a straight line basis over the lease term. Correspondingly, there will be interest income accrued on the discounted value of deposits. Other deposits (utility deposit and Staff travel / accommodation deposit) are payable on demand and have no contractual period. Hence there are no GAAP differences for these demand deposits.

An additional income of Rs. 11.92 Million and expense of Rs. 13.92 Million has been recognised in the statement of profit and loss for the year ended March 31, 2016 with a net impact of Rs. 2.00 Million. The net impact on retained earnings was Rs. 8.59 Million and Rs. 6.59 Million as on March 31, 2016 and April 1, 2015 respectively.

6. Adjustment items due to merger

The Hon'ble High Court of Bombay vide its order dated July 1, 2016 had sanctioned the Scheme of Amalgamation of Agilyst Consulting Private Limited with the Company with an appointed date of April 1, 2015. The Scheme has been given effect to in the books of accounts of the Company with effect from April 1, 2015 resulting in addition to net worth by Rs. 263.54 Million as on March 31, 2016. The Company consequently reviewed the carrying value of investments in eClerx Investments Limited which was the holding company of the Agilyst group and made a provision for diminution in value of these investments of Rs. 266.12 Million on April 1, 2015. Consequently the expenses of Rs. 45.19 Million of Agilyst Consulting Private Limited has to be accounted in the books of eClerx Services Limited for the year ended March 31, 2016

7. Other comprehensive income

Under Indian GAAP, the Company has not presentated other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

41. SCHEME OF AMALGAMATION

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

2. The Hon'ble High Court vide its order July 1, 2016 approved the Scheme.

3. The Company has accounted for the amalgamation of ACPL in its books of account with effect from the appointed date as per the 'Pooling of Interests Method' prescribed under the'Ind AS 103' Business Combination.

4. In accordance with the Scheme;

   (a) All assets, liabilities and reserves in the books of ACPL has been transferred to the Company at their respective carrying values as on the Appointed Date.

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

5. The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarised values:

Particulars	Rupees in Million
Assets	340.78
Less: Liabilities	74.66
Net worth of ACPL as at April 1, 2015	266.12
Less: Capital reserve on amalgamation	0.10
Balance transferred to retained earnings	266.02

All the shares of Agilyst Consulting Private Limited were held by Agilyst Inc., which was a step down subsidiary of eClerx Services Limited. As per the scheme, there was no payment of consideration/issue of shares by eClerx Services Limited to any person and the equity shares held by Agilyst Inc. in Agilyst Consulting Private Limited were cancelled in accordance with the scheme. Refer note 43(b) and 44 of consolidated financial statement.

Note for merger of Agilyst, Inc. with eClerx LLC -

Agilyst Inc, a wholly owned subsidiary of eClerx Investments Limited, has been merged with eClerx LLC w.e.f January 1, 2017. All assets, liabilities and reserves in the books of Agilyst Inc. have been transferred to the eClerx LLC., at their respective carrying values w.e.f. January 1, 2017. As per the agreement and plan of merger, the share capital of Agilyst Inc. has been adjusted against capital reserve. Consequently carrying value of investment in eClerx Investments Limited has been transferred to investment in eClerx LLC.

Note for winding up of eClerx Investments Limited -

eClerx Investments Limited, a wholly owned subsidiary of the Company, has been wound up on March 28, 2017 for administrative convenience and maintaining a lean corporate structure.

42. BUYBACK OF SHARES

The Board of Directors vide their meeting dated August 29, 2016 approved, subject to shareholders' approval, buyback of equity shares of the Company. The shareholders approval was procured vide postal ballot results of which were announced on October 14, 2016. The Company concluded the said buyback of 1,170,000 Equity Shares of Rs. 10 each, at a buyback price of Rs. 2,000 per share and total buyback amount of Rs. 2,340 Million. The settlement date for the said buyback was December 19, 2016. The shares so bought back were extinguished and the issued and paid-up capital stands amended accordingly.

43. 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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2017

that its international transactions are at arms' length so that the aforesaid legislation will not have any impact on the financial statements.

44. STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payment.' The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the standalone financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.
The Company does not have any cash-settled awards as at March 31, 2017.

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 30, 2017

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

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

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of eClerx Services Limited

Report on the Consolidated Ind AS Financial Statements

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, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 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, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

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, we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated 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, 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 Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, since none of the subsidiary companies are incorporated in India, no separate report on internal financial controls 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 standalone financial statements of the Holding Company dated May 30, 2017;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us 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 – Refer Note 34 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, 2017;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017; and

iv. As per books of accounts of the Holding Company and as represented by the management, the

Holding Company did not have cash balance as on November 8, 2016 and December 30, 2016 and have no cash dealings during this period.

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 2,384.86 Million and net assets of Rs 1,335.44 Million as at March 31, 2017, and total revenues of Rs 1,539.94 Million and net cash outflows of Rs 95.85 Million for the year ended on that date. These financial statements 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 reports of such other auditors.

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

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

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 30, 2017

CONSOLIDATED BALANCE SHEET

as at March 31, 2017

	Notes	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
ASSETS				
Non-current assets				
Property, plant and equipment	3	700.75	869.47	695.09
Capital work in progress	3	18.54	-	11.49
Goodwill on consolidation	4	2,000.99	2,112.75	857.50
Other Intangible assets	4	548.84	667.76	117.76
Financial assets				
Investments	6	2.40	2.40	-
Other financial assets	10	120.66	98.95	103.60
Derivative instruments	7	88.50	33.96	36.25
Deferred tax assets (net)	21	1.02	10.64	89.61
Other non-current assets	11	379.67	354.53	464.90
		3,861.37	**4,150.46**	**2,376.20**
Current assets				
Inventories	5	2.46	4.55	-
Financial assets				
Investments	6	2,513.99	2,191.36	1,552.94
Trade receivables	8	2,138.30	1,860.95	1,261.39
Cash and cash equivalents	9.a.	1,752.26	2,834.74	1,975.79
Other Bank Balances	9.b.	1,804.29	449.91	935.73
Other financial assets	10	1,030.26	952.16	1,060.79
Derivative instruments	7	553.77	115.07	257.71
Other current assets	12	244.19	291.49	169.46
Current tax assets (net)		81.53	41.11	15.02
		10,121.05	**8,741.34**	**7,228.83**
Total assets		**13,982.42**	**12,891.80**	**9,605.03**

CONSOLIDATED BALANCE SHEET

as at March 31, 2017

	Notes	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Equity and liabilities				
Equity				
Equity Share Capital	13	397.10	407.89	303.51
Other Equity	14	11,756.41	10,519.49	8,144.43
Total Equity attributable to shareholders of the Company		**12,153.51**	**10,927.38**	**8,447.94**
Non-controlling interests		4.46	5.87	-
Total Equity		**12,157.97**	**10,933.25**	**8,447.94**
Non-current liabilities				
Financial Liabilities				
Borrowings	17	6.66	35.12	-
Deferred tax liabilities (net)	21	169.91	246.29	18.12
Employee Benefit Obligations	15	157.57	117.21	110.49
Other non-current liabilities	16	128.84	152.62	104.09
		462.98	**551.24**	**232.70**
Current liabilities				
Financial liabilities				
Short term borrowings	17	3.97	-	-
Trade payables	18	128.60	138.33	17.17
Other current financial liabilities	19	269.00	390.22	299.98
Other current liabilities	20	145.11	109.37	53.99
Employee Benefit Obligations	15	765.68	741.13	497.87
Current tax liabilities (net)		49.11	28.26	55.38
		1,361.47	**1,407.31**	**924.39**
Total equity and liabilities		**13,982.42**	**12,891.80**	**9,605.03**

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 30, 2017

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

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

Rohitash Gupta Chief Financial Officer
Gaurav Tongia Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31,, 2017

	Notes	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Revenue from operations	22	13,300.33	13,143.16
Other income	23	282.00	369.46
Total Income		**13,582.33**	**13,512.62**
Expenses			
Employee benefits expense	24	5,935.06	5,730.61
Cost of technical sub-contractors		540.51	518.88
Depreciation and amortisation expense	25	517.96	565.38
Finance Costs	26	0.25	0.41
Other expenses	27	2,230.22	2,094.93
Total expenses		**9,224.00**	**8,910.21**
Profit before tax		**4,358.33**	**4,602.41**
Tax expenses			
Current tax	21		
Pertaining to current year		1,013.93	1,074.92
Adjustments in respect of current income tax of previous year		(6.77)	(1.90)
Deferred tax	21	(188.13)	111.95
Income tax expense		**819.03**	**1,184.97**
Profit for the year		**3,539.30**	**3,417.44**
Attributable to:			
Shareholders of the Company		3,540.27	3,414.95
Non- controlling interest		(0.97)	2.49
Other comprehensive income			
"Other comprehensive income not to be reclassified to profit or loss in subsequent periods: "			
Remeasurement (losses) on defined benefit plans	28	(30.79)	(19.21)
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		(30.79)	(19.21)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31,, 2017

	Notes	For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		493.24	(5.06)
Deferred tax liability on net movement on cash flow hedges		(133.42)	-
Exchange differences on translation of foreign operations		(204.37)	174.56
Income tax effect		-	-
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		**155.45**	**169.50**
Other comprehensive income for the year, net of tax		**124.66**	**150.29**
Total comprehensive income for the year, net of tax		**3,663.96**	**3,567.73**
Attributable to:			
Shareholders of the Company		3,664.93	3,565.24
Non- controlling interest		(0.97)	2.49
Earnings per equity share			
Basic (Face value of Rs. 10 each)	29	87.35	83.99
Diluted (Face value of Rs. 10 each)	29	86.38	82.18

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

per Amit Majmudar
Partner
Membership Number: 36656

Place: Mumbai
Date: May 30, 2017

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

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

Rohitash Gupta Chief Financial Officer
Gaurav Tongia Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

		March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Operating activities			
Profit before tax		4,358.33	4,602.41
Adjustments to reconcile profit before tax to cash (used in) provided by operating activities :			
Depreciation of property, plant and equipment	25	371.61	410.56
Amortisation and impairment of intangible assets	25	146.35	154.82
Share-based payment expense	24	(10.88)	51.85
Net foreign exchange differences - Trade receivables		47.71	27.30
Net foreign exchange differences - Trade payables		(0.27)	(0.40)
Finance cost	26	0.25	0.41
Loss on sale of assets	27	0.56	6.96
Interest income on corporate rent deposits	23	(13.27)	(11.92)
Amortised cost on corporate rent deposits		14.08	13.92
Loss/(Profit) on sale of current investments	27, 23	2.16	(7.80)
Dividend Income	23	(133.21)	(52.31)
Interest Income	23	(112.70)	(34.69)
Other Adjustments	28	(30.79)	(19.21)
Bad debts written off		-	0.04
Fair value (loss) on financial instruments at fair value through profit or loss	23	(20.47)	(0.35)
		4,619.46	**5,141.59**
Working capital adjustments:			
Increase in employee benefit obligations		64.91	249.98
(Increase) in trade receivables		(325.05)	(626.87)
(Increase)/decrease in inventories		2.09	(4.55)
Decrease/(Increase) in other current and non current assets		8.08	(25.58)
(Increase)/decrease in other financial assets		(99.81)	253.15
(Decrease)/Increase in trade payables, other current and non current liabilities and provisions		(118.67)	315.71
Cash generated by operating activities		**4,151.01**	**5,303.43**
Payment of domestic and foreign taxes		(1,026.73)	(1,126.23)
Net cash flows from operating activities		**3,124.28**	**4,177.20**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended

	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Investing activities		
Proceeds from sale of current investments	7,727.38	7,957.53
Purchase of current investments	(8,031.70)	(8,587.80)
Purchase of non current investments	-	(2.40)
Investment in bank deposits (having original maturity of more than three months)	(2,418.50)	(523.38)
Redemption/maturity of bank deposits (having original maturity of more than three months)	1,118.27	980.11
Payment of unclaimed dividend	0.37	(0.03)
Payment for acquisition of business, net of cash acquired	-	(1,067.93)
Proceeds from sale of property, plant and equipment	1.21	10.11
Purchase of property, plant and equipment (including capital work in progress)	(297.39)	(530.83)
Dividend received (finance income)	133.21	52.31
Interest received (finance income)	71.82	65.80
Net cash flows (used in) investing activities	**(1,695.33)**	**(1,646.51)**
Financing activities		
Proceeds from issue of equity share capital	79.53	142.34
Proceeds from equity issue pending allotment	2.38	1.49
Purchase of treasury shares by eClerx Employee Welfare Trust	(106.39)	-
Disbursement of dividend	(40.79)	(1,065.39)
Dividend distribution tax	(8.36)	(216.89)
Finance Costs	(0.25)	(0.41)
Buyback of equity shares	(2,354.55)	-
Short term Bank loan (repaid)/taken	(24.49)	35.12
Repayment of borrowings of subsidiary	-	(546.37)
Net cash flows used in financing activities	**(2,452.92)**	**(1,650.11)**
Effect of Exchange fluctuation on Cash and Cash Equivalents	(58.51)	(21.63)
Net (decrease) / increase in cash and cash equivalents	**(1,082.48)**	**858.95**
Cash and cash equivalents at the beginning of the year	2,834.74	1,975.79
Cash and cash equivalents at the end of the year	**1,752.26**	**2,834.74**

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 30, 2017

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

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

Rohitash Gupta Chief Financial Officer
Gaurav Tongia Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

	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, 2015	**30,350,885**	**303.51**
Add: Shares allotted during the year ended March 31, 2016 under the employee stock option plan (ESOP)	257,192	2.57
Add: Changes to shares allotted during the year on account of bonus issue (refer note 13)	10,180,609	101.81
As at March 31, 2016	**40,788,686**	**407.89**
Add: Shares allotted during the year ended March 31, 2017 under the employee stock option plan (ESOP)	165,485	1.66
Less: Buyback of shares during the year (refer note 45)	(1,170,000)	(11.70)
Less: Shares held by eClerx Employee Welfare Trust	(75,113)	(0.75)
As at March 31, 2017	**39,709,058**	**397.10**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

b. Other Equity

For the year ended March 31, 2017

Rupees in Million

Particulars	Reserves and Surplus								Items of OCI				
	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Statutory reserve	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Total equity Attributable to the equity holders of the Company	Non-controlling interest	Total
As at April 1, 2016	**1.49**	**0.38**	**961.89**	**176.37**	**983.17**	**0.70**	**0.10**	**7,657.43**	**588.93**	**149.03**	**10,519.49**	**5.87**	**10,525.36**
Profit for the period	-	-	-	-	-	-	-	3,540.27	-	-	3,540.27	(0.97)	3,539.30
Transfer on account of merger (refer note 43)	-	-	-	-		-	0.01	-	-	-	0.01	-	0.01
Other comprehensive income	-	-	-	-	-	-	-	(30.79)	(204.37)	359.82	124.66	-	124.66
Cash dividends paid	-	-	-	-	-	-	-	(40.79)	-	-	(40.79)	-	(40.79)
Dividend distribution tax on dividend	-	-	-	-	-	-	-	(8.36)	-	-	(8.36)	-	(8.36)
Share based payment charge net off stock option cancelled / forfeited during the year	-		-	(10.88)	-	-	-	-	-	-	(10.88)	-	(10.88)
Statutory reserve as per local law in overseas subsidiary	-	-	-	-	-	0.26	-	-	-	-	0.26	(0.44)	(0.18)
Transfer to securities premium on account of exercise of stock options (refer note 14)	-	-	17.55	(17.55)	-	-	-	-	-	-	-	-	-
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 14)	-	-	79.36	-	-	-	-	-	-	-	79.36	-	79.36
Shares application money received during the year	81.91	-	-	-	-	-	-	-	-	-	81.91	-	81.91
Shares allotted during the year	(81.02)	-	-	-	-	-	-	-	-	-	(81.02)	-	(81.02)
Amount Transferred on account of buyback of shares (refer note 14)	-	11.70	(11.70)	-	-	-	-	-	-	-	-	-	-
Amount utilised on account of buy back of shares (refer note 14)	-	-	(915.79)	-	(983.17)	-	-	(443.89)	-	-	(2,342.85)	-	(2,342.85)
Shares held by eClerx Employee Welfare Trust	-	-	(105.65)	-	-	-	-	-	-	-	(105.65)	-	(105.65)
As at March 31, 2017	**2.38**	**12.08**	**25.66**	**147.94**	**-**	**0.96**	**0.11**	**10,673.87**	**384.56**	**508.85**	**11,756.41**	**4.46**	**11,760.87**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2017

b. Other Equity

For the year ended March 31, 2016

Rupees in Million

Particulars	Reserves and Surplus								Items of OCI				
	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Statutory reserve	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Total equity Attributable to the equity holders of the Company	Non-controlling interest	Total
As at April 1, 2015	**1.35**	**0.38**	**886.07**	**160.93**	**983.17**	**-**	**0.10**	**5,543.97**	**414.37**	**154.09**	**8,144.43**	**-**	**8,144.43**
Profit for the period	-	-	-	-	-	-	-	3,414.95	-	-	3,414.95	2.49	3,417.44
Other comprehensive income	-	-	-	-	-	-	-	(19.21)	174.56	(5.06)	150.29	-	150.29
Cash dividends paid (refer note 14)	-	-	-	-	-	-	-	(1,065.39)	-	-	(1,065.39)	-	(1,065.39)
Dividend distribution tax on dividend (refer note 14)	-	-	-	-	-	-	-	(216.89)	-	-	(216.89)	-	(216.89)
Share based payment charge net off stock option cancelled / forfeited during the year	-	-	-	51.95	-	-	-	-	-	-	51.95	-	51.95
Statutory reserve as per local law in overseas subsidiary	-	-	-	-	-	0.70	-	-	-	-	0.70	3.38	4.08
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 14)	-	-	141.12	-	-	-	-	-	-	-	141.12	-	141.12
Shares application money received during the year	143.83	-	-	-	-	-	-	-	-	-	143.83	-	143.83
Shares allotted during the year (refer note 14)	(143.69)	-	-	-	-	-	-	-	-	-	(143.69)	-	(143.69)
Amount utilised for issue of bonus shares during the year (refer note 14)	-	-	(101.81)	-	-	-	-	-	-	-	(101.81)	-	(101.81)
As at March 31, 2016	**1.49**	**0.38**	**961.89**	**176.37**	**983.17**	**0.70**	**0.10**	**7,657.43**	**588.93**	**149.03**	**10,519.49**	**5.87**	**10,525.36**

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 30, 2017

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

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

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

1. CORPORATE INFORMATION

eClerx Services Limited (the "Company" or the "Holding Company") and its subsidiaries (collectively referred to as the "Group") is engaged in providing Knowledge Process Outsourcing (KPO) services to global companies. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. The Group provides data management, analytics solutions and process outsourcing services to a host of global clients through a network of multiple locations in India, and abroad. Information on the Group's structure is provided in Note 30.

The consolidated financial statements for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the directors on May 30, 2017.

2A. 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 by Companies (Indian Accounting standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

These consolidated financial statements for the year ended March 31, 2017 are the first financial statements of the Group prepared in accordance with Ind AS. Refer note 42 for information on how the Group adopted Ind AS.

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

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, 2017 .

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 subsidiary are based on the amounts of the assets and liabilities recognized 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 AS12 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

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquire. 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 Tax 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

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 recognized 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 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

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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 categorized 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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Rendering of services

Revenue from time and material and unit priced contracts are recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet date.

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Group presents revenues net of service tax and value added tax in its consolidated statement of profit and loss.

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 right to receive dividend is established by the reporting date.

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 or substantively 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

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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.

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On transition to Ind AS , the Group has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

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 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 provide 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 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 amortization and accumulated impairment losses, if any.

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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 amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization 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:

Intangible Assets	Estimated useful life (in years)
Computer Software	1-5
Unpatented Technology	7
Non-Competition Agreements	3
Customer Relationships	15
Indemnification Asset	3

On transition to Ind AS , the Group has elected to continue with the carrying value of all its intangible assets recognised as at April 1, 2015 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

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. For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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 statement of profit and loss on a straight-line basis over the lease term unless

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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 asset's. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written 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 statement of profit and loss.

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 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-

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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 recognizes 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 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

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 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.

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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. Re-measurements, comprising of actuarial gains and losses 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.The Group treats the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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.

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 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 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).

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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 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 on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
All other financial assets are measured at fair value through profit or loss.

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

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- Financial assets measured at Fair value through other comprehensive income (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.

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

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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 balance sheet if there is a currently 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 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.

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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. Share options exercised during the reporting period are satisfied with treasury shares.

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 shareholders when the distribution is authorized 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 authorized when it is approved by the Board of Directors and final dividend is authorized 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.

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. Share - based payments

The Group measures share-based payments and transactions at fair value and recognises over the

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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.

b. 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.

c. 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 model (DCF). 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 38 and 39 for further disclosures.

d. 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, including a sensitivity analysis, are disclosed and further explained in Note 31.

	Computer hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Land	Building	Plant and Machinery	Vehicles	Total
	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
3. PROPERTY, PLANT AND EQUIPMENT									
Cost									
As at April 1, 2015	208.75	271.81	48.63	165.90	-	-	-	-	695.09
Additions on account of CLX acquistion (refer note 31)	53.96	6.46	3.64	3.40	18.30	15.88	2.41	0.44	104.49
Additions	198.96	37.86	49.58	197.49	-	0.25	0.92	-	485.06
Disposals	(15.65)	(40.33)	(4.24)	(10.45)	-	-	-	-	(70.67)
Translation Exchange Difference	8.32	1.93	0.60	2.21	(0.64)	(0.54)	0.07	0.05	12.00
As at March 31, 2016	**454.34**	**277.73**	**98.21**	**358.55**	**17.66**	**15.59**	**3.40**	**0.49**	**1,225.97**
Additions	103.88	21.30	13.77	70.40	-	0.08	0.52	1.08	211.03
Disposals	(19.57)	(0.02)	(3.23)	(4.56)	-	-	-	-	(27.38)
Translation Exchange Difference	(10.09)	(4.29)	(0.74)	(2.03)	0.12	(0.01)	(0.19)	(0.04)	(17.27)
As at March 31, 2017	**528.56**	**294.72**	**108.01**	**422.36**	**17.78**	**15.66**	**3.73**	**1.53**	**1,392.35**
Depreciation and impairment									
As at April 1, 2015	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	181.59	65.55	20.45	140.89	-	0.82	1.12	0.14	410.56
Disposals	(13.29)	(34.87)	(2.92)	(7.60)	-	-	-	-	(58.68)
Translation Exchange Difference	2.81	0.41	0.18	1.14	-	0.03	0.04	0.01	4.62
As at March 31, 2016	**171.11**	**31.09**	**17.71**	**134.43**	**-**	**0.85**	**1.16**	**0.15**	**356.50**
Depreciation charge for the year	158.14	70.28	21.40	119.60	-	0.89	1.02	0.28	371.61
Disposals	(19.43)	(0.02)	(2.05)	(4.11)	-	-	-	-	(25.61)
Translation Exchange Difference	(6.73)	(1.68)	(0.56)	(1.64)	-	(0.12)	(0.15)	(0.02)	(10.90)
As at March 31, 2017	**303.09**	**99.67**	**36.50**	**248.28**	**-**	**1.62**	**2.03**	**0.41**	**691.60**
Net Book Value									
As at March 31, 2017	**225.47**	**195.05**	**71.51**	**174.08**	**17.78**	**14.04**	**1.70**	**1.12**	**700.75**
As at March 31, 2016	**283.23**	**246.64**	**80.50**	**224.12**	**17.66**	**14.74**	**2.24**	**0.34**	**869.47**
As at April 1, 2015	**208.75**	**271.81**	**48.63**	**165.90**	**-**	**-**	**-**	**-**	**695.09**

Rupees in Million

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Work in Progress			
Leasehold Improvements	17.40	-	1.04
Furniture & Fixtures	1.14	-	0.21
Office Equipments	-	-	10.24
	18.54	**-**	**11.49**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		Other Intangible Assets					
	Goodwill on consolidation	Computer Software	Unpatented Technology	Non-Competition Agreements	Indemnification Asset	Customer Relationship	Total
	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
3. INTANGIBLE ASSETS							
Cost							
As at April 1, 2015	857.50	117.76	-	-	-	-	975.26
Additions on account of CLX acquistion (refer note 31)	1,079.69	-	40.65	40.20	15.90	491.54	1,667.98
Additions	-	20.12	37.15	-	-	-	57.27
Disposals	-	-	(5.06)	-	-	-	(5.06)
Translation Exchange Difference	175.56	0.08	4.16	4.63	1.83	56.58	242.84
As at March 31, 2016	**2,112.75**	**137.96**	**76.90**	**44.83**	**17.73**	**548.12**	**2,938.29**
Additions	-	44.29	23.53	-	-	-	67.82
Disposals	-	-	-	-	-	-	-
Translation Exchange Difference	(111.76)	(0.02)	(5.53)	(3.41)	(1.35)	(41.69)	(163.76)
As at March 31, 2017	**2,000.99**	**182.23**	**94.90**	**41.42**	**16.38**	**506.43**	**2,842.35**
Amortization and impairment							
At April 1, 2015	-	-	-	-	-	-	-
Additions	-	72.16	30.23	13.65	5.40	33.38	154.82
Disposals	-	-	-	-	-	-	-
Translation Exchange Difference	-	0.06	1.07	0.48	0.19	1.16	2.96
At March 31, 2016	**-**	**72.22**	**31.30**	**14.13**	**5.59**	**34.54**	**157.78**
Additions	-	57.00	33.12	14.64	5.79	35.80	146.35
Disposals	-	-	-	-	-	-	-
Translation Exchange Difference	-	(0.11)	(4.16)	(1.91)	(0.76)	(4.67)	(11.61)
At March 31, 2017	-	129.11	60.26	26.86	10.62	65.67	292.52
Net Book Value							
At March 31, 2017	**2,000.99**	**53.12**	**34.64**	**14.56**	**5.76**	**440.76**	**2,549.83**
At March 31, 2016	**2,112.75**	**65.74**	**45.60**	**30.70**	**12.14**	**513.58**	**2,780.51**
At April 1, 2015	**857.50**	**117.76**	-	-	-	-	**975.26**

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Goodwill	2,000.99	2,112.75	857.50
Other Intangible Assets	548.84	667.76	117.76
Total	**2,549.83**	**2,780.51**	**975.26**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
5.	INVENTORIES			
	Raw materials	2.46	4.55	-
		2.46	**4.55**	**-**
6.	INVESTMENTS			
	Non current investments (Unqouted, carried at fair value through profit and loss)			
	8,000 Equity Shares (March 31, 2016: 8,000, April 1, 2015: Nil) 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	2,513.99	2,191.36	1,552.94
		2,513.99	**2,191.36**	**1,552.94**
	Aggregate value of unquoted investments	2.40	2.40	-
	Aggregate book value of quoted investments	2,513.99	2,191.36	1,552.94
	Aggregate market value of quoted investments	2,513.99	2,191.36	1,552.94

Investments at fair value through profit or loss (fully paid) reflect investments in mutual funds. Refer note 38 for determination of their fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
7.	DERIVATIVE INSTRUMENTS			
	Derivative instruments at fair value through OCI			
	Cash flow hedges			
	Foreign exchange forward contracts	642.27	149.03	154.09
	Total derivative instruments at fair value through OCI	**642.27**	**149.03**	**154.09**
	Current	553.77	115.07	117.84
	Non-current	88.50	33.96	36.25
		642.27	**149.03**	**154.09**
	Derivative instruments at fair value through profit or loss			
	Derivatives not designated as hedges	-	-	-
	Foreign exchange forward contracts	-	-	139.87
	Total derivative instruments at fair value through profit or loss	**-**	**-**	**139.87**
	Current	-	-	139.87
	Non-current	-	-	-
				139.87

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) and Euros (EUR).

Derivative instruments at fair value through profit and loss refect the positive change in fair value of those foreign exchange forward contracts, that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risks for expected sales.

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
8.	TRADE RECEIVABLES			
	Trade receivables	2,138.30	1,860.95	1,261.39
		2,138.30	**1,860.95**	**1,261.39**
	Outstanding for a period exceeding six months from the date they are due for payment			
	Unsecured, considered good	-	-	4.43
	Other receivables			
	Unsecured, considered good	2,138.30	1,860.95	1,256.96
	Impairment allowance	-	-	-
	Total trade receivables	**2,138.30**	**1,860.95**	**1,261.39**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
9.a.	CASH AND CASH EQUIVALENTS			
	Cash on hand	0.28	0.47	0.01
	Balances with banks			
	In current accounts	1,750.65	2,832.57	1,974.12
	Earmarked bank balance towards dividend	1.32	1.69	1.66
	Earmarked bank balance towards Fractional Share Payout	0.01	0.01	-
		1,752.26	**2,834.74**	**1,975.79**
9.b.	OTHER BANK BALANCES			
	Deposits with original maturity of more than three months but less than twelve months	1,675.38	423.93	880.00
	Deposit with original maturity of more than twelve months	49.50	-	-
	Deposits pledged with banks against bank guarantees	1.46	1.46	2.11
	Interest receivable	70.44	16.29	45.76
	Earmarked bank balances with bank	7.51	8.23	7.86
		1,804.29	**449.91**	**935.73**
		3,556.55	**3,284.65**	**2,911.52**

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 7 days to 380 days, depending on the immediate cash requirements of the Group. The time deposits earn interest at the respective deposit rates.

As on November 8, 2016 and December 30, 2016, the Group did not hold any Specified Bank Notes and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The Group has not transacted during the period from November 8, 2016 to December 30, 2016 in Specified Bank Notes and other denomination notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
10.	OTHER FINANCIAL ASSETS			
	Non-current			
	Corporate premises rent deposits	114.58	93.88	100.15
	Other deposits	6.08	5.07	3.45
		120.66	**98.95**	**103.60**
	Current			
	Unbilled revenue	946.34	941.51	1,004.80
	Staff accommodation rent deposits	0.93	1.01	1.64
	Recoverable expenses from client	10.29	9.63	14.20
	Other advances	72.60	0.01	40.15
	Other deposits	0.10	-	-
		1,030.26	**952.16**	**1,060.79**
	Break up of financial assets carried at amortised cost			
	Trade receivables (refer note 8)	2,138.30	1,860.95	1,261.39
	Other financial assets (refer note 10)	1,150.92	1,051.11	1,164.39
	Cash and cash equivalents (refer note 9)	3,556.55	3,284.65	2,911.52
	Total financial assets carried at amortised	**6,845.77**	**6,196.71**	**5,337.30**
11.	OTHER NON-CURRENT ASSETS			
	Capital advances	4.38	0.51	7.16
	Service tax and Other tax credits	375.29	354.02	457.74
		379.67	**354.53**	**464.90**
12.	OTHER CURRENT ASSETS			
	Prepaid expenses	165.50	145.12	100.19
	Service tax and other tax credits	69.79	18.99	69.27
	Other advances	8.90	127.38	-
		244.19	**291.49**	**169.46**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
13. SHARE CAPITAL			
Authorized share capital			
50,010,000 (March 31, 2016: 50,010,000 and April 1, 2015: 50,010,000) shares of Rs. 10 each	500.10	500.10	500.10
Issued, subscribed and fully paid up			
39,709,058 (March 31, 2016: 40,788,686 and April 1, 2015: 30,350,885) shares of Rs. 10 each fully paid up	397.10	407.89	303.51

(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 preceding the balance sheet date. The Company has bought back 1,207,623 shares (P.Y. 37,623) during the period of 5 years immediately preceding the balance sheet date.

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% Holding	Number of shares	% Holding
(c) Details of shareholders holding more than 5% shares in the Company				
Anjan Malik	9,974,701	25.07%	10,229,666	25.08%
PD Mundhra	9,968,997	25.06%	10,223,816	25.07%
Matthews India Fund	2,701,931	6.79%	3,059,957	7.50%

(d) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		Rupees in Million
14.	OTHER EQUITY	
	Securities premium account	
	As at April 1, 2015	**886.07**
	Add: Premium on issue of share alloted pursuant to exercise of options	141.12
	Add: Transferred from share based payment reserve on exercise of options	36.51
	Less: Bonus shares issued during the year	(101.81)
	As at March 31, 2016	**961.89**
	Add: Premium on issue of share alloted pursuant to exercise of options	79.36
	Add: Transferred from share based payment reserve on exercise of options	17.55
	Less: Amount transferred to capital redemption reserve on account of share buyback	(11.70)
	Less: Amount adjusted on account of buyback of shares	(915.79)
	Less: Shares held by eClerx Employee Welfare Trust	(105.65)
	As at March 31, 2017	**25.66**
	Share based payment reserve	
	As at April 1, 2015	**160.93**
	Add: Charge for the year	161.00
	Less: Reversed on stock options cancelled / forfeiture during the year	(109.05)
	Less: Transfer to securities premium account on exercise of options	(36.51)
	As at March 31, 2016	**176.37**
	Add: Charge for the year	47.06
	Less: Reversed on stock options cancelled / forfeiture during the year	(57.94)
	Less: Transfer to securities premium on exercise of stock options	(17.55)
	As at March 31, 2017	**147.94**
	Hedging reserve	
	As at April 1, 2015	**154.09**
	Add:Net movement on cash flow hedges	(5.06)
	As at March 31, 2016	**149.03**
	Add:Net movement on cash flow hedges	493.24
	Less: Deferred tax liability on net movement on cash flow hedges	(133.42)
	As at March 31, 2017	**508.85**
	Capital reserve	
	As at April 1, 2015	**0.10**
	As at March 31, 2016	**0.10**
	Add: On account of merger (refer note 43)	0.01
	As at March 31, 2017	**0.11**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

	Rupees in Million
Capital redemption reserve	
As at April 1, 2015	**0.38**
As at March 31, 2016	**0.38**
Add: Amount transferred from security premium on account of buy back of shares	11.70
As at March 31, 2017	**12.08**
General reserve	
As at April 1, 2015	**983.17**
Add: Addition during the year	-
As at March 31, 2016	**983.17**
Less: Amount adjusted on account of buyback of shares	(983.17)
As at March 31, 2017	**-**
Statutory reserve	
As at April 1, 2015	**-**
Add: Addition during the year	**0.70**
As at March 31, 2016	**0.70**
Add: Movement during the year	0.26
As at March 31, 2017	**0.96**
Foreign Currency Translation Reserve	
At April 1, 2015	**414.37**
Add: Movement during the year	**174.56**
As at March 31, 2016	**588.93**
Add: Movement during the year	(204.37)
As at March 31, 2017	**384.56**
Retained earnings	
As at April 1, 2015	**5,543.97**
Add: Profit during the year	3,414.95
Add: Remeasurement (losses) on defined benefit plans	(19.21)
Less: Dividend and dividend tax paid	(1,282.28)
As at March 31, 2016	**7,657.43**
Add: Profit during the year	3,540.27
Add: Remeasurement (losses) on defined benefit plans	(30.79)
Less: Amount adjusted on account of buyback of shares	(429.34)
Less: Share buyback expenses	(14.55)
Less: Dividend and dividend tax paid	(49.15)
As at March 31, 2017	**10,673.87**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Other reserves			
Securities premium	25.66	961.89	886.07
Share based payment reserves	147.94	176.37	160.93
Hedging reserve	508.85	149.03	154.09
Capital reserve	0.11	0.10	0.10
Capital redemption reserve	12.08	0.38	0.38
General reserve	-	983.17	983.17
Statutory reserve	0.96	0.70	-
Foreign Currency Translation Reserve	384.56	588.93	414.37
Retained earnings	10,673.87	7,657.43	5,543.97
	11,754.03	**10,518.00**	**8,143.08**
Share application money pending allotment			
As at April 1, 2015			**1.35**
As at March 31, 2016			**1.49**
As at March 31, 2017			**2.38**
Dividend distribution and proposed			
Cash dividends on equity shares declared and paid:			
Final dividend for the year ended on March 31, 2016: Re. 1 per share (March 31, 2015: Rs. 35 per share)		40.79	1,065.39
Dividend distribution tax on final dividend		8.36	216.89
		49.15	**1,282.28**
Proposed dividends on equity shares:			
Final cash dividend for the year ended on March 31, 2017: Re. 1 per share (March 31, 2016: Rs. 1 per share)		46.82	40.79
Dividend distribution tax on proposed dividend		8.10	8.36
		54.92	**49.15**

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,, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
15.	EMPLOYEE BENEFIT OBLIGATIONS			
	Non-current			
	Gratuity (refer note 32)	157.57	117.21	110.49
		157.57	**117.21**	**110.49**
	Current			
	Gratuity (refer note 32)	30.00	25.00	10.10
	Compensated Absences	190.97	179.76	80.54
	Incentive to employees	435.44	422.40	407.23
	Other employee benefits	109.27	113.97	-
		765.68	**741.13**	**497.87**
16.	OTHER NON-CURRENT LIABILITIES			
	Lease equalisation reserve	128.84	117.16	104.09
	Others	-	35.46	-
		128.84	**152.62**	**104.09**
17.	BORROWINGS			
	Unsecured:*			
	Current Borrowings	3.97	-	-
	Non Current Borrowings	6.66	35.12	-
		10.63	**35.12**	**-**

* This refers to unsecured working capital loan carrying interest rate of 1.25% p.a.taken by subsidiary in Italy

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
18.	TRADE PAYABLES			
	Trade payables	128.60	138.33	17.17
		128.60	**138.33**	**17.17**

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- For terms and conditions with related parties, refer to Note 35
- For explanations on the Group's credit risk management processes, refer to Note 40.
- Trade payables are measured at amortised cost.

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

		As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
19.	OTHER FINANCIAL LIABILITIES			
	Unpaid dividend	1.32	1.69	1.66
	Unpaid fractional share payout	0.01	0.01	-
	Advance Billing	69.70	45.33	20.37
	Accrued Expenses	187.70	330.36	254.07
	Payables for capital expenditure	10.27	12.83	23.88
		269.00	**390.22**	**299.98**
	Break up of financial liabilities at amortised cost			
	Other financial liabilities (refer note 19)	269.00	390.22	299.98
	Trade payables (refer note 18)	128.60	138.33	17.17
	Borrowings (refer note 17)	10.63	35.12	-
		408.23	**563.67**	**317.15**
20.	OTHER CURRENT LIABILITIES			
	Taxes and other liabilities	125.81	81.28	52.78
	Advances from Customers / Other payables	5.54	18.88	-
	Lease equalisation reserve	13.76	9.21	1.21
		145.11	**109.37**	**53.99**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		Year ended March 31, 2017 Rupees in Million	Year ended March 31, 2016 Rupees in Million
21.	INCOME TAXES		
	The major components of income tax expense for the years ended March 31, 2017 and March 31, 2016 are:		
	Statement of profit and loss: **Profit or loss section**		
	Current income tax:		
	Current income tax charge	1,013.93	1,074.92
	Adjustments in respect of current income tax of previous year	(6.77)	(1.90)
	Deferred tax	(188.13)	111.95
	Income tax expense reported in the statement of profit or loss	**819.03**	**1,184.97**
	OCI section		
	Deferred tax related to items recognised in OCI during the year ended:		
	Net movement on cash flow hedges	(133.42)	-
	Income tax charged to OCI	**(133.42)**	**-**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:		
	Accounting profit before income tax	4,358.33	4,602.41
	At Groups statutory income tax rate of 34.608% (March 31, 2016: 34.608%)	1,508.33	1,592.80
	Tax effect of income not chargeable to tax	414.83	469.79
	Adjustments in respect of current income tax of previous years	(6.77)	(1.90)
	Utilisation of previously unrecognised MAT credit	179.25	145.90
	Effect of different Tax rates in subsidiaries	(44.40)	21.55
	Non-deductible expenses for tax purposes	(146.39)	227.51
	Income tax expense reported in the statement of profit and loss at the effective income tax rate of 18.79% (March 31, 2016: 25.75%),	**819.03**	**1,184.97**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

	Balance Sheet			Profit & Loss	
	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Deferred tax:					
Deferred tax relates to the following:					
Accelerated depreciation for tax purposes/undistributed profit of subsidiaries	(110.29)	(259.40)	(7.44)	(143.78)	111.95
Share based payments	(22.60)	29.59	19.86	22.60	-
Gratuity	34.11	-	17.49	(34.11)	-
Expenses available for offsetting against future taxable income	63.31	(5.84)	41.58	(32.84)	-
Deferred tax on revaluation of cash flow hedges	(133.42)	-	-	-	-
Deferred tax expense/(income)				**(188.13)**	**111.95**
Net deferred tax assets/(liabilities)	**(168.89)**	**(235.65)**	**71.49**		

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million	As at April 1, 2015 Rupees in Million
Reflected in the balance sheet as follows:			
Deferred tax assets	1.02	10.64	89.61
Deferred tax liabilities	169.91	246.29	18.12
Deferred tax liabilities, net	**(168.89)**	**(235.65)**	**71.49**
Reconciliation of deferred tax liabilities (net):			
Opening balance	**(235.65)**	**71.49**	
Tax (expense)/income during the period recognised in profit or loss	(188.13)	111.95	
Tax income/(expense) during the period recognised in OCI	(133.42)	-	
Deferred Tax Recognised on Purchase price amortisation	-	(173.83)	
Exchange Difference	12.05	(21.36)	
Closing balance	**(168.89)**	**(235.65)**	

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, 2017 and March 31, 2016, the parent company has paid dividend to its shareholders. This has resulted in payment of Dividend distribution tax (DDT) to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
22.	REVENUE FROM OPERATIONS		
	Sale of Services	13,300.33	13,143.16
		13,300.33	**13,143.16**
23.	OTHER INCOME		
	Interest income on fixed deposit	112.70	34.69
	Interest income on Corporate Rent Deposits	13.27	11.92
	Dividend	133.21	52.31
	Gain on foreign exchange fluctuation (net)	-	257.79
	Fair value gain on financial instruments (mutual funds) at fair value through profit or loss	20.47	0.35
	Profit on sale of current investments	-	7.80
	Miscellaneous Income	2.35	4.60
		282.00	**369.46**
24.	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	5,623.21	5,389.83
	Employee stock compensation	(10.88)	51.85
	Contribution to provident and other funds	248.21	221.65
	Gratuity expense (refer note 32)	39.57	27.63
	Staff welfare expense	34.95	39.65
		5,935.06	**5,730.61**
25.	DEPRECIATION AND AMORTIZATION EXPENSE		
	Depreciation of tangible assets (refer note 3)	371.61	410.56
	Amortization of intangible assets (refer note 4)	146.35	154.82
		517.96	**565.38**
26.	FINANCE COSTS		
	Interest on Loans	0.25	0.19
	Other borrowing costs	-	0.22
		0.25	**0.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

		For the year ended March 31, 2017 Rupees in Million	For the year ended March 31, 2016 Rupees in Million
27.	OTHER EXPENSES		
	Cost of raw materials, consumables, spare parts and other goods	21.77	26.70
	Repairs and maintenance		
	Building	13.56	4.64
	Others	23.41	23.53
	Office base rentals	500.50	488.63
	Rates and taxes	23.22	21.12
	Office expenses	52.97	36.58
	Housekeeping Services	39.14	33.09
	Security Charges	55.44	60.45
	Other insurance	16.43	16.19
	Subscription & Membership Fees	33.61	35.18
	Power and fuel	100.16	114.35
	Computer and Electrical Consumables	180.35	140.45
	Printing and stationery	10.10	11.79
	Communication expenses	179.92	181.76
	Bad debts written off	-	0.04
	Business and promotion	63.43	58.81
	Bank charges	15.43	10.42
	Directors' sitting fees	0.99	1.18
	Legal and professional charges	223.86	200.60
	Loss on sale of fixed assets/asset disposed off (net)	0.56	6.96
	Corporate Social Responsibility ('CSR') expenditure (refer details below)	64.44	53.64
	Local Conveyance	78.71	74.74
	Travelling Expenses	403.89	456.17
	Freight, Transportation, port charges,etc	15.30	11.98
	Foreign exchange Loss (net)	90.89	-
	Loss on sale of current investments	2.16	-
	Miscellaneous expenses	19.98	25.93
		2,230.22	**2,094.93**

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for the year ended March 31, 2017

	In cash	Yet to be paid in cash	Total
	Rupees in Million	Rupees in Million	Rupees in Million
Details of CSR expenditure:			
Gross amount required to be spent by the Company during the year: Rs. 64.68 (March 31, 2016: Rs. 53.29) Million			
For the year ended March 31, 2017			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than above	64.44	-	64.44
For the year ended March 31, 2016			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than above	53.64	-	53.64

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
28. COMPONENTS OF OTHER COMPREHENSIVE INCOME (OCI) AND EXPECTIONAL ITEMS			
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2017:			
Net movement on cash flow hedges	493.24	-	493.24
Deferred tax liability on net movement on cash flow hedges	(133.42)	-	(133.42)
Remeasurement gain/(losses) on defined benefit plans	-	(30.79)	(30.79)
Exchange differences on translation of foreign operations	(204.37)	-	(204.37)
	155.45	**(30.79)**	**124.66**
During the year ended March 31, 2016:			
Net movement on cash flow hedges	(5.06)	-	(5.06)
Deferred tax liability on net movement on cash flow hedges	-	-	-
Remeasurement gain/(losses) on defined benefit plans	-	(19.21)	(19.21)
Exchange differences on translation of foreign operations	174.56	-	174.56
	169.50	**(19.21)**	**150.29**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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 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, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million
Profit attributable to equity holders of the Group:		
Continuing operations	3,540.27	3,414.95
Weighted average number of Equity shares for basic EPS*	4,05,29,968	4,06,57,929
Dilutive impact of employee stock options	4,55,768	8,96,638
Weighted average number of Equity shares adjusted for the effect of dilution*	4,09,85,736	4,15,54,567
Earnings per equity share (in Rs.)		
Basic	87.35	83.99
Diluted	86.38	82.18

*Note: The weighted average number of shares takes into account the weighted average effects of changes in treasury share transaction during the year

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

30. GROUP INFORMATION

Consolidated financial statements of Group included subsidiaries listed in the table below :

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power		
			March 31, 2017	March 31, 2016	April 1, 2015
1	eClerx Limited	United Kingdom	100%	100%	100%
2	eClerx LLC	United States of America	100%	100%	100%
3	eClerx Private Limited	Singapore	100%	100%	100%
4	eClerx Investments Limited (refer note a)	British Virgin Islands	-	100%	100%
5	Agilyst, Inc. (refer note b)	United States of America	-	100% subsidiary of eClerx Investments Limited	100% subsidiary of eClerx Investments Limited
6	Agilyst Consulting Private Limited (refer note c)	India	-	100% subsidiary of Agilyst Inc	100% subsidiary of Agilyst Inc
7	eClerx Investments (UK) Limited	United Kingdom	100%	100%	100%
8	CLX Europe S.P.A (refer note d)	Italy	100% subsidiary of eClerx Investments (UK) Limited	100% subsidiary of eClerx Investments (UK) Limited	-
9	Sintetik S.R.L.	Italy	100% subsidiary of CLX Europe S.P.A	100% subsidiary of CLX Europe S.P.A	-
10	CLX Europe Media Solution GmbH	Germany	100% subsidiary of CLX Europe S.P.A	100% subsidiary of CLX Europe S.P.A	-
11	CLX Europe Media Solution Limited	United Kingdom	100% subsidiary of CLX Europe Media Solution GmbH	100% subsidiary of CLX Europe Media Solution GmbH	-
12	CLX Thai Company Limited	Thailand	49% holding by CLX Europe S.P.A*	49% holding by CLX Europe S.P.A*	-
13	eClerx Employee Welfare Trust	India	Entity under control of the Company	-	-
14	eClerx Canada Limited	Canada	100% subsidiary of eClerx Investments (UK) Limited	-	-

*This is subsidiary for the purpose of consolidation as per Ind AS 110 "Consolidated Financial Statements".

note a: Liquidated on March 28, 2017 [refer note 44]

note b: Merged with eClerx LLC w.e.f. January 1, 2017 [refer note 43(b)]

note c: Merged with the Company w.e.f. April 1, 2015 [refer note 43(a)]

note d: Acquired on April 22, 2015 [refer note 31]

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

31. BUSINESS COMBINATIONS AND GOODWILL

On April 22, 2015, the Group acquired 100% of the voting shares of CLX Europe S.P.A, a joint stock limited liability company based in Italy. This acquisition added capabilies in Creative & Digital Services and complementary client base presents significant growth opportunity. CLX Europe creates, manages and delivers creative assets globally to the multi-channel market for luxury brands and major retailers.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of CLX Europe S.P.A as at the date of acquisition were:

	Fair value recognised on acquisition Rupees in Million
Fixed Assets	**104.49**
Intangible Assets	588.29
Other Current Assets	345.95
Cash & Bank	112.50
	1,151.23
Other Liablities	1,047.80
Total identifiable net assets at fair value	**103.43**
Non- controlling interest	2.69
Goodwill arising on acquisition	1,079.69
Purchase consideration transferred	**1,180.43**

In April 2015, the valuation was completed and the fair valuation on the acquisition date of the intangible assets comprising of Unpatented Technology, Non- Competition Agreements, Customer Relationships and Indemnification Asset was Rs. 588.29 Million and deferred tax liability of Rs. 173.83 Million was also recognised with goodwill of Rs.1,079.69 Million on the acquisition.

The fair value of all other assets and liabilities including fixed assets and debtors are considered at book value. The deferred tax liability mainly comprise the tax effect of the accelerated depreciation for tax purposes of tangible and intangible assets.

The goodwill of Rs. 1,079.69 Million comprises the fair value of expected synergies arising from acquisition. The combined companies capabilities which are highly complementary, now form a continuous value chain of creative asset development, digital multi-channel production, data management, and analytics and insights. None of the goodwill recognised is deductible for income tax purposes.

From the date of acquisition for the year ended March 31, 2016, CLX Europe S.P.A has contributed Rs. 1,457.48 Million of revenue and Rs. 138.36 Million to the profit after tax from continuing operations of the group. If the combination had taken place at the beginning of the financial year of 2015-16 the impact on revenue from continuing operations and the profit after tax from continuing operations for the 21 day period would not have been significant.

It is noted from the consolidated balance sheet as at the acquisition date that the minority interest stands at Rs. 2.69 Million. Since CLX Thailand is a relatively small unit, and there are no major restatements of Thailand assets and liabilities, the said book value of Rs. 2.69 Million is considered as the fair value of minority interests as at the acquisition date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

	Rs (in Million)
Purchase consideration	
Consideration paid	1,148.60
Contingent consideration paid	31.83
Total consideration	**1,180.43**

Analysis of cash flows on acquisition	
Consideration paid	1,180.43
Net cash acquired with the subsidiary	(112.50)
Payment for acquisition of business net of cash acquired (included in cash flows from investing activities)	**1,067.93**

Contingent consideration

The amount of Euros 472,200 paid into an Escrow account in regard to Mediagamma represents the amount agreed in terms of Section 6 of the share purchase agreement (SPA) to secure the performance of any indemnification required from the selling shareholders in connection with Representations and Warranties made under the terms of the SPA. Any amount in the Escrow account, including accrued yields/interest, that is not claimed by the acquirer within 21 months from the date of acquisition, will be made over to the selling shareholder at the end of 21 months.

Since the amount has already been transferred the same has not been fair valued.

Impairment testing of goodwill

Goodwill acquired through business combinations pertain to Cable & Telecom Services (CTS) cash generating unit (CGU) and CLX Europe S.P.A.. The Group evaluates goodwill for impairment annually.The Group performs its annual impairment test for year ended March 31, 2017 and March 31, 2016 on respective Balance Sheet date. The recoverable amount of above CGU exceeded their carrying amount. Following is the break-up of carrying amount of goodwill :

	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million	April 1, 2015 Rupees in Million
Cable & Telecom Services CGU	888.59	908.78	857.50
CLX Europe CGU	1,112.40	1,203.97	-
	2,000.99	**2,112.75**	**857.50**

Cable & Telecom Services CGU

The recoverable amount of the Cable & Telecom Services CGU as on March 31, 2017 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

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for the year ended March 31, 2017

the cash flows of the CGU for the five-year period is 12% (March 31, 2016 : 20%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (March 31, 2016: 2%). This growth rate is in line with the industry average growth rate. The pre-tax discount rate applied to cash flow projections for impairment testing during the current year is 30.14% (March 31, 2016 : 25.98%) . 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, 2017 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 5- 10% (March 31, 2016 : 5- 10%). The growth rate used to extrapolate the cash flows of the unit beyond the three-year period is 0% (March 31, 2016: 0%). This growth rate is in line with the industry average growth rate.The post tax discount rate applied to cash flow projections for impairment testing during the current year is in the range of 6.7 - 8.2% for its units in different countries. (March 31, 2016 : 6.7 - 7.7 %). As a result of the analysis, the management did not identify any impairment for this CGU.

Key assumptions used for value in use calculations

The calulation of value in use for both 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 efficiencies 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 and 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 it 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.

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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, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Current service cost	28.92	19.24
Interest cost on benefit obligation	11.15	8.64
Return on plan assets (excluding amounts included in net interest expense)	(0.50)	(0.25)
	39.57	**27.63**

	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, 2015	124.16	3.57	120.59
Gratuity cost charged to statement of profit and loss			
Service cost	19.24	-	19.24
Net interest expense	8.64	-	8.64
Return on plan assets (excluding amounts included in net interest expense)	-	0.25	(0.25)
Sub-total included in statement of profit and loss (refer note 24)	27.88	0.25	27.63
Amount transferred on account of merger	(0.53)	-	(0.53)
Liability transferred			
Benefits paid			
from fund	(23.56)	(24.05)	0.49
paid by employer	(0.18)	-	(0.18)
Remeasurement losses in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	(12.46)	-	(12.46)
Actuarial changes arising from changes in financial assumptions	10.06	-	10.06
Experience adjustments	21.61	-	21.61
Sub-total of remeasurement losses included in OCI	**19.21**	**-**	**19.21**
Contributions by employer	-	25.00	(25.00)
Employee benefit liability as at March 31, 2016	**146.98**	**4.77**	**142.21**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

	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, 2016	**146.98**	**4.77**	**142.21**
Gratuity cost charged to statement of profit and loss			
Service cost	28.92	-	28.92
Net interest expense	11.15	-	11.15
Return on plan assets (excluding amounts included in net interest expense)	-	0.50	(0.50)
Sub-total included in statement of profit and loss (refer note 24)	**40.07**	**0.50**	**39.57**
Liability transferred			
Benefits paid			
from fund	(26.37)	(26.37)	-
paid by employer	-	-	-
Adjustment on account of merger	-	-	-
Remeasurement losses in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	13.28		13.28
Experience adjustments	17.51		17.51
Sub-total of remeasurement losses included in OCI	**30.79**		**30.79**
Contributions by employer		25.00	(25.00)
Employee benefit liability as on March 31, 2017	**191.47**	**3.90**	**187.57**

	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million	April 1, 2015 Rupees in Million
The principal assumptions used in determining gratuity obligations of the Company are shown below:			
Discount rate:			
India gratuity plan	7.12	7.56	7.99
Future salary increases:			
India gratuity plan	7.00	7.00	7.00
Assumption:			
Expected return on plan assets	7.12	7.56	7.99
Employee turnover:			
a. For service 4 years and below (p.a.)	30.00	30.00	30.00
b. For service 5 years and above (p.a.)	2.00	2.00	5.00

Mortality rate during employment is based on report of Indian Assured Lives Mortality (2006-08).

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	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
A quantitative sensitivity analysis for significant assumption is as shown below:		
India gratuity plan:		
Effect of +1% Change in discount rate	(28.46)	(22.03)
Effect of -1% Change in discount rate	35.38	27.42
Effect of +1% Change in Future salary increases	27.59	21.69
Effect of -1% Change in Future salary increases	(24.17)	(18.96)
Effect of +1% Change in Employee Turnover	2.12	2.77
Effect of -1% Change in Employee Turnover	(2.61)	(3.39)
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:		
Within the next 12 months (next annual reporting period)	5.54	3.12
Between 2 and 5 years	20.50	24.43
Between 5 and 10 years	34.49	64.34
Total expected payments	**60.53**	**91.89**

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years (March 31, 2016: 10 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 Committee. 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, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Expense arising from equity-settled share-based payment transactions	(10.88)	51.85
	(10.88)	**51.85**

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ESOP 2008 scheme:

The Company instituted ESOP 2008 scheme under which 10,00,000 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 16,00,000 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 24,00,000 pursuant to relevant SEBI regulations. During the current year 2016-17 the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 plan, however active options thereunder would continue to vest as per the respective terms.

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, 2017		March 31, 2016	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	55,867	506.52	1,82,969	537.05
Adjusted during the year for bonus*	-	-	20,750	-
Forfeited during the year*	-	-	1	690.26
Exercised during the year*	39,466	501.88	1,47,851	473.21
Outstanding at the end of the year*	**16,401**	**517.70**	**55,867**	**506.52**
Exercisable at the end of the year	16,401		55,867	

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

The weighted average share price at the date of exercise of these options was Rs. 1,465 per share. (March 31, 2016: Rs. 1,613.31)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 0.01 years (March 31, 2016: 0.96 years).

The exercise price for options outstanding at the end of the year was Rs. 517.70 (March 31, 2016: Rs. 257.50 to Rs. 517.70).

The average vesting period is 2.83 years and exercise period is 3 years.

ESOP 2011 scheme:

The Company instituted ESOP 2011 scheme under which 16,00,000 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 26,00,000 stock options vide resolution passed at Thirteenth Annual General Meeting held on August 22, 2013.

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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, 2017		March 31, 2016	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	1,988,055	857.24	1,478,235	867.88
Adjusted during the year for bonus*	-	-	560,498	-
Granted during the year	-	-	604,110	1,595.00
Forfeited during the year*	580,962	671.14	545,447	727.55
Exercised during the year*	126,019	485.67	109,341	674.23
Outstanding at the end of the year*	**1,281,074**	**978.19**	**1,988,055**	**857.24**
Exercisable at the end of the year	162,504		79,301	

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

The weighted average share price at the date of exercise of these options was Rs. 1,444 per share. (March 31, 2016: Rs. 1,523.70)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 2.68 years (March 31, 2016: 3.98 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, 2016: Rs. 463.91 to Rs.1,196.25).

There were no grants given in current year under this scheme. The weighted average fair value of options granted during the previous year was Rs. 676.34.

The following tables list the inputs to the models used for fair valuation of the options granted in the year ended March 31, 2016:

Date of grant	May 25, 2015
Dividend yield (%)	2.19%
Expected volatility (%)	31.00%
Risk–free interest rate (%)	7.72%
Expected life of options granted (years)	4.35
Model used	Black and Scholes
Stock price (Rs.)	1,595.00
Exercise Price (Rs.)	1,595.00

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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 authorized for secondary acquisition and accordingly during the year under review, ESOP Trust has bought 75,113 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, 2017	
	No. of options	WAEP
Outstanding at the beginning of the year	-	-
Granted during the year	324,162	1,379.15
Forfeited during the year	24,954	1,379.15
Exercised during the year	-	-
Outstanding at the end of the year	299,208	1,379.15
Exercisable at the end of the year	-	

These options are not yet vested as of March 31, 2017.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2017 was 5 years

The exercise prices for options outstanding at the end of the year was Rs. 1,379.15

The weighted average fair value of options granted during the year was Rs. 462.43.

The average vesting period is 2.86 years and exercise period is 3 years.

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The following tables list the inputs to the models used for fair valuation of the options granted in the year ended March 31, 2017:

Date of grant	May 20, 2016
Dividend yield (%)	2.41%
Expected volatility (%)	33.26%
Risk–free interest rate (%)	7.29%
Expected life of share options (years)	3.87
Model used	Black and Scholes
Stock price (Rs.)	1,450.25
Exercise Price (Rs.)	1,379.15

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, 2017 Rupees in Million	March 31, 2016 Rupees in Million	April 1, 2015 Rupees in Million
a. Leases			
Operating lease commitments — Company 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	500.50	488.63	424.59
Future minimum lease payments for non-cancellable operating leases			
Within one year	110.45	148.30	133.56
After one year but not more than five years	104.17	101.78	239.42
	214.62	**250.08**	**372.98**

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	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million	April 1, 2015 Rupees in Million
b. Commitments			
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.24	16.90	52.20
Other Commitments			
The Group signed on March 31, 2015 a definitive agreement to acquire 100% of CLX Europe, S.P.A. through its overseas subsidiary eClerx Investments (UK) Limited and the closing documents to effect the same acquisition were signed on April 21, 2015	-	-	1,687.75
c. Contingent liabilities			
Income Tax demands (refer note a)	78.77	51.58	39.30
Indirect Tax demands (refer note b)	12.02	7.76	7.76

Notes:

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

The Company's subsidiary Agilyst Consulting Private Limited, which has been merged with effect from April 01, 2015 with the Company, has received demand amounting to Rs. 48.35 Million for Financial Years 2009-10, 2010-11, 2011-12 and 2012-13 against which the Company's subsidiary has filed appeals with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal.

(b) Tax Refund claims for the period July 2014 till December 2015 to the extent rejected by the Services Tax Deparment for Rs.9.58 Million is pending in appeal before the Commissioner of Central Excise (Appeals) and Income Tax Appellate Tribunal.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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35. 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

(II) Key Management Personnel:

1. V.K. Mundhra (Non-Executive Director - Chairman)
2. P. D. Mundhra (Executive Director)
3. Anjan Malik (Non-Executive Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Gaurav Tongia (Company Secretary)
6. Biren Gabhawala (Non-Executive Independent Director)
7. Anish Ghoshal (Non-Executive Independent Director)
8. Vikram Limaye (Non-Executive Independent Director)
9. Pradeep Kapoor (Non-Executive Independent Director)
10. Alok Goyal (Non-Executive Independent Director)
11. Deepa Kapoor (Non-Executive Independent Director)
12. Shailesh Kekre (Non-Executive Independent Director)

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.

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for the year ended March 31, 2017

Transactions with Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at		
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	April 1, 2015
Duncan Stratton & Company Limited	Rent	0.03	0.06	-	-	-

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, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Anjan Malik	Dividend	10.23	277.28
P. D. Mundhra	Dividend	10.22	277.13
V.K. Mundhra	Dividend	0.04	1.13
Rohitash Gupta	Dividend	0.06	2.57
Gaurav Tongia	Dividend	0.00	0.03
Biren Gabhawala	Commission & Sitting Fees	1.85	1.74
Anish Ghoshal	Commission & Sitting Fees	1.85	1.74
Vikram Limaye	Commission & Sitting Fees	1.79	1.68
Pradeep Kapoor	Commission & Sitting Fees	1.79	1.66
Alok Goyal	Commission & Sitting Fees	1.75	1.66
Deepa Kapoor	Commission & Sitting Fees	1.83	1.70
Shailesh Kekre	Commission & Sitting Fees	0.10	-
V.K.Mundhra	Buy Back of shares	2.14	-
PD Mundhra	Buy Back of shares	509.64	-
Anjan Malik	Buy Back of shares	509.93	-
Pradeep Kapoor	Buy Back of shares	0.95	-
Biren Gabhawala	Buy Back of shares	0.33	-
Rohitash Gupta	Buy Back of shares	3.56	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Compensation of key management personnel of the Group

	March 31, 2017 Rupees in Million	March 31, 2016 Rupees in Million
Anjan Malik		
Short-term employee benefits	14.02	22.46
P. D. Mundhra		
Short-term employee benefits	13.80	22.30
Rohitash Gupta		
Short-term employee benefits	11.52	9.33
Share-based payment	-	2.71
Gaurav Tongia		
Short-term employee benefits	3.66	2.99
Share-based payment	0.30	0.21
Total compensation paid to key management personnel	**43.30**	**60.00**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

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.

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The following tables provides geographical information:

	As at March 31, 2017 Rupees in Million	As at March 31, 2016 Rupees in Million
Revenue from external customers		
United States of America	8797.40	9,018.25
United Kingdom	999.35	1,245.01
Europe	2609.04	2,410.16
Asia Pacific	894.54	469.74
Total Revenue	**13,300.33**	**13,143.16**
The Group has four customers with revenue greater than 10% each of total group revenue totalling Rs. 6,955.31 Million for the year ended March 31, 2017 and three customers with revenue greater than 10% each of the group revenue totalling Rs. 5,590.53 Million for the year ended March 31, 2016.		
Non-Current operating assets		
United States of America	958.73	950.43
United Kingdom	17.36	24.80
Europe	1,697.28	1,907.27
Asia Pacific	975.41	1,122.02
Total Assets	**3,648.78**	**4,004.52**

Note: Non current operating assets for this purpose consists of property plant and equiment, capital work in progress, goodwill, other intangibles and other non - current 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 US dollars and Euros. These forecast transactions are highly probable, and they comprise about 67.83% of the Group's total expected sales. 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.

While the group also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales, these other contracts are not designated in hedge relationships and are measured at fair value through statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Type of Hedge and Risks	Nominal Value	Carrying amount of hedging instrument		Maturity date	Weighted average forward rate
		Assets	Liabilities		
	Rupees in Million	Rupees in Million	Rupees in Million		Rupees in Million
March 31, 2017					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,108.95	582.94	-	April 2017 - March 2019	71.83
Foreign exchange forward contracts - EURO	439.21	59.33	-	April 2017 - March 2018	82.71
March 31, 2016					
Foreign currency risk					
Foreign exchange forward contracts - USD	7,342.92	134.22	-	April 2016 - March 2018	70.63
Foreign exchange forward contracts - EURO	1,477.22	14.81	-	April 2016 - March 2018	80.63
April 1, 2015					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	6,778.18	51.98	-	April 2015 - March 2017	67.12
Foreign exchange forward contracts - EURO	1,024.69	102.11	-	April 2015 - March 2017	85.68

The cash flow hedges of the expected future sales during the year ended March 31, 2017 were assessed to be highly effective and a net unrealised gain of Rs.642.27 Million, with a deferred tax liability of Rs.133.42 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, 2016 were assessed to be highly effective and an unrealised gain of Rs 149.03 Million was included in OCI in respect of these contracts.

The amounts removed from OCI during the year and included in the carrying amount of the hedging items as a basis of adjustment for the year ended March 31, 2017, totalling Rs. 115.07 Million (March 31, 2016: Rs. 257.71 Million). The amounts retained in OCI at March 31, 2017 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2018.

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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:

	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Financial assets						
Fair value through profit or loss (FVTPNL) financial investments	2,513.99	2,191.36	1,552.94	2,513.99	2,191.36	1,552.94
Foreign exchange forward contracts	642.27	149.03	293.96	642.27	149.03	293.96
Fair value of security deposits	158.71	158.95	166.84	114.58	93.88	100.15
Total	**3,314.97**	**2,499.34**	**2,013.74**	**3,270.84**	**2,434.27**	**1,947.05**

The management assessed that cash and cash equivalents, 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:

Trade receivables are evaluated by the Group based on specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the FVTPNL financial assets 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, 2017, 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.

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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, 2017:

			Fair value measurement using		
	Date of valuation	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, 2017	642.27	-	642.27	-
FVTPNL financial investments (Note 38):					
Investments in Quoted Mutual Funds	March 31, 2017	2,513.99	2,513.99	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2016:

			Fair value measurement using		
	Date of valuation	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, 2016	149.03	-	149.03	-
FVTPNL financial investments (Note 38):					
Investments in Quoted Mutual Funds	March 31, 2016	2,191.36	2,191.36	-	-

Quantitative disclosures of fair value measurement hierarchy for assets as at April 1, 2015:

			Fair value measurement using		
	Date of valuation	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	April 1, 2015	293.96	-	293.96	-
FVTPNL financial investments (Note 38):					
Investments in Quoted Mutual Funds	April 1, 2015	1,552.94	1,552.94	-	-

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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 FVTPNL 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 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, FVTPNL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

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, 2017.

The analysis excludes 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, 2017 and March 31, 2016 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, 2016 and March 31, 2017 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.

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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.

At March 31, 2017, the Group hedged 67.83% (March 31, 2016: 64.21 %, April 1, 2015: 57.11%) of its expected foreign currency sales. 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 demonstrates 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 Rupees in Million	Effect on pre-tax equity Rupees in Million
March 31, 2017	+5%	113.33	(426.30)
	-5%	(113.33)	426.30
March 31, 2016	+5%	115.51	(360.44)
	-5%	(115.51)	360.44

	Change in EUR rate	Effect on profit before tax Rupees in Million	Effect on pre-tax equity Rupees in Million
March 31, 2017	+5%	14.16	(18.99)
	-5%	(14.16)	18.99
March 31, 2016	+5%	12.43	(73.12)
	-5%	(12.43)	73.12

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.

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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.

Trade receivables are evaluated by the Group based on specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables. The impairment is Nil as of March 31, 2017, Rs 0.04 Million as of March 31, 2016 and Nil as of April 1, 2015.

Financial instruments and cash 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.

III: 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.

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended March 31, 2017					
Other financial liabilities	-	238.40	41.23	-	279.63
Trade and other payables	-	125.71	2.89	-	128.60
	-	**364.11**	**44.12**	**-**	**408.23**
Year ended March 31, 2016					
Other financial liabilities	-	312.51	112.83	-	425.34
Trade and other payables	-	27.54	110.78	-	138.33
	-	**340.05**	**223.61**	**-**	**563.67**

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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, 2017 and March 31, 2016.

42. FIRST-TIME ADOPTION OF IND AS

The Group has prepared its financial statements to comply with Ind AS for the year ending March 31, 2017, together with comparative information for the year ended March 31, 2016. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

Ind AS 101 allows first-time adopters certain exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

A. Exemptions availed

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date.

Deemed cost

Ind AS 101 allows a first time adopter to continue with the carrying value for all its Property, Plant and Equipment and Intangible Assets as recognised in its previous GAAP financials on the date of transition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

The Group has opted for this exemption and decided to carry its Property, Plant and Equipment and Intangible assets at Carrying value as per Indian GAAP on the date of transition i.e. April 1,, 2015.

Investment in subsidiaries and associates

Ind AS 101 allows a First time adopter to account for its Investments in Subsidiaries, Joint Ventures and Associates either at cost or in accordance with Ind AS 109.

The Group has elected to account for its investments in subsidiary at cost, which is equal to the deemed cost as per the previous GAAP on the date of Transition.

Share based payment

Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015.

B. Mandatory Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

Hedge Accounting

Hedge accounting can only be applied prospectively from the transition date to transaction that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of April 1, 2015 are reflected as hedges in the Group's results under Ind AS.

The Group has designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the Group had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

Reconciliation of equity between Previous GAAP and IND AS

Particulars	Note	As at March 31, 2016	As at April 1, 2015
		Rupees in Million	Rupees in Million
Net worth under Previous GAAP		**10,861.55**	**7,148.69**
Proposed dividend	1	49.09	1,284.56
FVTPNL financial assets	2	0.42	0.07
Deferred tax on share - based payments	4	29.59	19.86
Loans and Advances	5	(8.59)	(6.59)
Change in functional currency	6	113.61	60.41
Business Combination impact on depreciation of intangible assets and deferred tax thereon	7	(40.02)	-
Deferred tax liability on undistributed profits of subsidiaries	8	(79.29)	-
Others		1.02	(59.06)
Net worth under IND AS		**10,927.38**	**8,447.94**

Company reconciliation of profit or loss for the year ended March 31, 2016

Particulars	Note	As at March 31, 2016
		Rupees in Million
Net income for the period under Previous GAAP		**3,629.97**
FVTPNL financial assets	2	0.35
Defined benefit obligation	3	19.21
Share - based payment	4	(58.05)
Loans and Advances	5	(2.00)
Change in functional currency	6	(53.20)
Business Combination impact on depreciation of intangible assets and deferred tax thereon	7	(40.02)
Deferred tax liability on undistributed profits of subsidiaries	8	(79.29)
Others		(2.02)
Net profit for the period under Ind AS		**3,414.95**
Other comprehensive income net of tax		150.29
Total comprehensive income for the period under Ind AS		**3,565.24**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

Footnotes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016

1. Proposed dividend

Under Indian GAAP, proposed dividends and dividend distribution tax are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind - AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (i.e. when approved by shareholders in a general meeting) or paid.

In case of the Group, the declaration of dividend occurs after period end. Therefore, the liability of Rs. 1,284.56 Million for the year ended March 31, 2015 recorded for dividend has been derecognised against retained earnings on April 1, 2015. The proposed dividend for the year ended March 31, 2016 of Rs. 49.09 Million recognised under Indian GAAP was reduced from other payables and with a corresponding impact in retained earnings. The net impact on retained earnings as on March 31, 2016 was Rs. 49.09 Million.

2. Fair Value through Profit and Loss (FVTPNL) financial assets

Under Indian GAAP investment in mutual funds are carried at lower of cost and fair value. Under Ind - AS, the Company designated such investments as FVTPNL investments. Ind - AS required FVTPNL investments to be measured at fair value. At the date of transition to Ind-AS, the difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings.

This has resulted in increase in retained earnings by Rs. 0.42 Million and Rs. 0.07 Million as on March 31, 2016 and April 1, 2015 respectively and an increase in net profit by Rs. 0.35 Million for year ended March 31, 2016.

3. Defined benefit obligation

Under Ind AS, re-measurements, i.e., actuarial gains and losses, the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised in Other Comprehensive Income instead of Statement of Profit and Loss. Thus the employee benefit cost is reduced by Rs. 19.21 Million and remeasurement gains/losses on defined benefit plans have been recognised in the OCI net of tax.

4. Share - based payments

Under the Indian GAAP, the cost of equity settled employee share based programs were recognised using the intrinsic value method. Under Ind AS the same needs to be recognised based on the fair value of options on the grant date. Share options expense totalling to Rs. 161.03 Million, which were granted before and still unvested as at April 1, 2015, have been recognised as a separate component of equity against retained earnings with a deferred tax asset of Rs. 19.86 Million. An additional expense of Rs. 58.05 Million has been recognised in the profit or loss for the year ended March 31, 2016.

5. Loans and Advances

Under Indian GAAP, the Group recognised interest free rent deposits at transaction value, however under Ind AS the security deposits are required to be fair valued. This difference between the present value and the principal amount of the deposit paid at inception to be accounted for as prepaid lease payments, to be recognised as an expense on a straight line basis over the lease term. Correspondingly, there will be interest income accrued on the discounted value of deposits. Other deposits (utility deposit and Staff travel / accommodation deposit) are payable on demand and have no contractual period. Hence there are no GAAP differences for these demand deposits.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

An additional income of Rs. 11.92 Million and expense of Rs. 13.92 Million has been recognised in the statement of profit and loss for the year ended March 31, 2016 with a net impact of Rs. 2.00 Million. The net impact on retained earnings was Rs. 8.59 Million and Rs. 6.59 Million as on March 31, 2016 and April 1, 2015 respectively.

6. Functional Currency

Under Indian GAAP there was no concept of functional currency. Ind AS 21 defines functional currency as the currency of the primary economic environment in which the entity operates. Foreign currency transactions are to be recorded on initial recognition in the functional currency by applying to the foreign currency, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Consequently, functional currency of the Company's two subsidiaries viz. eClerx Investments Limited and eClerx Investment (UK) Limited, has been changed to Indian Rupees (Rs.). Consequently the net profit has decreased by Rs.53.20 Million for the year ended March 31, 2016 and retained earnings increased by Rs. 113.61 Million and Rs. 60.41 Million as on March 31, 2016 and April 1, 2015 respectively.

7. Business Combinations

Based on the requirements of Ind AS 103 – Business Combinations, the company has applied the acquisition method of accounting for its acquisition of CLX Eupore SPA in the month of April 2015 and has recorded additional intangible assets amounting to Rs. 252.22 Million in its books of accounts. The additional amortisation charge on the intangible assets has reduced the profit for the year by Rs. 58.34 Million and offset by deferred income tax of Rs. 18.32 Million giving a net impact of Rs. 40.02 Million.

8. Deferred tax liability on undistributed profit of subsidiaries

The Hon'ble High Court of Bombay vide its order dated July 1, 2016 has sanctioned the Scheme of Amalgamation of Agilyst Consulting Private Limited with the Company with an appointed date of April 1, 2015. The merger resulted in tax liability of Rs. 79.29 Million in Agilyst Inc., the parent company of Agilyst Consulting Private Limited, resulting in decrease in the net profit and retained earnings for the year ended March 31, 2016.

9. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind - AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind - AS.

43. SCHEME OF AMALGAMATION

a) Agilyst Consulting Private Limited with eClerx Services Limited.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

2. The Hon'ble High Court vide its order dated 1 July 2016 approved the Scheme.

3. The Company has accounted for the amalgamation of ACPL in its books of account with effect from the Appointed Date as per the 'Pooling of Interest Method' prescribed under the 'Ind AS 103' Business Combination.

4. In accordance with the Scheme;

   (a) All assets, liabilities and reserves in the books of ACPL have been transferred to the Company at their respective carrying values as on the Appointed Date.

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

5. The amalgamation has resulted in transfer of assets, liabilities and reserves in accordance with the terms of the Scheme at the following summarised values:

Particulars	Rupees in Million
Total assets	**340.78**
Less: Liabilities	**74.66**
Net worth of ACPL as at April 1, 2015	**266.12**
Less: Capital reserve on amalgamation	0.10
Balance transferred to retained earnings of the Company	**266.02**

All the shares of Agilyst Consulting Private Limited were held by Agilyst Inc., which was a stepdown subsidiary of eClerx Services Limited. As per the scheme, there was no payment of consideration/issue of shares by eClerx Services Limited to any person and the equity shares held by Agilyst Inc. in Agilyst Consulting Private Limited were cancelled in accordance with the scheme.

b) Agilyst Inc. with eClerx LLC.

1. The Board of Directors vide their meeting dated August 29, 2016, had given their consent for merger of Agilyst Inc., a step down subsidiary of the Company with eClerx LLC, a wholly owned subsidiary of the Company. The merger was approved by the respective state authorities of Agilyst Inc. and eClerx LLC and is effective from January 1, 2017. The merger aims at administrative convenience and maintaining a lean corporate structure.

2. As per the agreement and plan of merger, all shares of capital stock of Agilyst Inc. outstanding as of immediately prior to this merger, without any action on the part of either party, and without any payment of cash, property, rights or securities by eClerx LLC, have been cancelled upon the effectiveness of this merger. All limited liability company interests of eClerx LLC outstanding as of immediately prior to this merger shall remain outstanding with effect of this merger.

3. The Company has accounted for the amalgamation of Agilyst Inc. in its books of account with effect from the Appointed Date as per the 'Pooling of Interest Method' prescribed under the 'Ind AS 103' Business Combination.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

4. All assets, liabilities and reserves in the books of Agilyst Inc. have been transferred to eClerx LLC at their respective carrying values as on the appointed date as summarised below:

Particulars	Rupees in Million
Total Assets	**448.19**
Less: Liabilities	**20.86**
Net worth of Agiyst Inc. as on 1 January 2017	**427.33**
Capital reserve on amalgamation	0.01
Share based payment reserve	14.74
Securities premium account	1.98
Balance transferred to retained earnings of eClerx LLC	**410.60**

44. WINDING UP OF SUBSIDIARY

eClerx Investments Limited, a wholly owned subsidiary of the Company, has been wound up on March 28, 2017 for administrative convenience and maintaining a lean corporate structure.

45. BUYBACK OF SHARES

The Board of Directors vide their meeting dated August 29, 2016 approved, subject to shareholders' approval, buyback of equity shares of the Company. The shareholders approval was procured vide postal ballot results of which were announced on October 14, 2016. The Company concluded the said buyback of 1,170,000 Equity Shares of Rs. 10 each, at a buyback price of Rs. 2,000 per share and total buyback amount of Rs. 2,340 Million. In addition Rs. 14.55 Million was incurred on account of buyback expenses which was adjusted in reserve.The settlement date for the said buyback was December 19, 2016. The shares so bought back were extinguished and the issued and paid-up capital stands amended accordingly.

46. TRANSFER PRICING

The Company and its various subsidiaries are required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Company appoints independent consultants annually for conducting a Transfer pricing study to determine whether transactions with 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.

47. STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of Cash Flows' and Ind AS 102, 'Share-based Payment.' The amendments are applicable to the Company from April 1, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statement.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

The Group does not have any cash-settled awards as at March 31, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

Rupees in Million

Name of the Entity	Net Assets*	%	Share in Profit or (loss)*	%	Share in other comprehensive income*	%	Share in total comprehensive income*	%
48. SUMMARY OF NET ASSETS AND SHARE IN PROFIT OR LOSS OF THE GROUP								
March 31, 2017								
Parent								
eClerx Services Limited	10,993.28	90%	3,311.48	94%	329.03	264%	3,640.51	99%
Subsidiaries								
Foreign								
eClerx LLC	632.34	5%	70.94	2%	(17.30)	-14%	53.64	1%
eClerx Limited	148.05	1%	21.24	1%	(17.07)	-14%	4.17	0%
eClerx Private Limited	34.04	0%	12.08	0%	(0.92)	-1%	11.16	0%
eClerx Investments (UK) Limited	1,749.31	14%	(48.67)	-1%	(151.36)	-121%	(200.03)	-5%
CLX Europe S.P.A	1,280.38	11%	(0.01)	0%	-	0%	(0.01)	0%
Sintetik S.R.L.	2.30	0%	2.11	0%	-	0%	2.11	0%
CLX Europe Media Solution GmbH	161.07	1%	4.32	0%	-	0%	4.32	0%
CLX Europe Media Solution Limited	71.35	1%	(1.01)	0%	-	0%	(1.01)	0%
eClerx Canada Limited	2.42	0%	(0.01)	0%	-	0%	(0.01)	0%
CLX Thai Company Limited	9.47	0%	(2.00)	0%	-	0%	(2.00)	0%
Non controlling Interest								
CLX Thai Company Limited	4.46	0%	(0.97)	0%	-	0%	(0.97)	0%
Controlled trust								
eClerx Employee Welfare Trust	(5.15)	0%	(5.15)	0%	-	0%	(5.15)	0%
Adjustment arising out of consolidation	(2,925.34)	-24%	175.91	5%	(17.72)	-14%	158.19	4%
Total	**12,157.97**	**100%**	**3,540.27**	**100%**	**124.66**	**100%**	**3,664.93**	**100%**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2017

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, 2016								
Parent								
eClerx Services Limited	9,685.44	89.00%	2,948.50	86.00%	(24.27)	-16.00%	2,924.23	82.00%
Subsidiaries								
Foreign								
eClerx LLC	161.28	1.00%	30.25	1.00%	9.06	6.00%	39.30	1.00%
eClerx Limited	149.82	1.00%	28.88	1.00%	2.71	2.00%	31.59	1.00%
eClerx Private Limited	27.33	0.00%	1.94	0.00%	2.09	1.00%	4.03	0.00%
Agilyst Inc	511.17	5.00%	145.72	4.00%	27.48	18.00%	173.20	5.00%
eClerx Investments Limited	469.36	4.00%	(324.04)	-9.00%	-	0.00%	(324.04)	-9.00%
eClerx Investments (UK) Limited	1,797.98	17.00%	(10.66)	0.00%	96.17	64.00%	85.51	2.00%
CLX Europe S.P.A	1,385.78	13.00%	49.90	1.00%	-	0.00%	49.90	1.00%
Sintetik S.R.L.	0.33	0.00%	(2.39)	0.00%	-	0.00%	(2.39)	0.00%
CLX Europe Media Solution GmbH	169.92	2.00%	13.28	0.00%	-	0.00%	13.28	0.00%
CLX Europe Media Solution Limited CLX	84.49	1.00%	(1.20)	0.00%	-	0.00%	(1.20)	0.00%
CLX Thai Company Limited	11.43	0.00%	4.55	0.00%	-	0.00%	4.55	0.00%
Non controlling Interest								
CLX Thai Company Limited	5.87	0.00%	2.49	0.00%	-	0.00%	2.49	0.00%
Adjustment arising out of consolidation	(3,526.96)	-32%	527.73	15.00%	37.05	25%	564.78	16%
Total	**10,933.25**	**100%**	**3,414.95**	**100.00%**	**150.29**	**100%**	**3,565.24**	**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 30, 2017

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

V.K. Mundhra
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Gaurav Tongia
Company Secretary

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 ENROLLMENT UNDER GREEN INITIATIVE TO SHAREHOLDERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS

Dear Shareholder,

As you are aware, the Ministry of Corporate Affairs ("MCA") and Securities Exchange Board of India (SEBI) have taken a lead in "Green Initiative" by allowing listed companies to supply soft copies of Annual Reports and other communications to all those shareholders who have registered their e-mail addresses 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.

We request if you have not yet registered your email address, kindly register the same at the earliest with your Depository Participant (DP) in case of shares held in demat mode and R&T Agents (i.e. M/s Karvy Computershare Private Ltd) at: einward.ris@karvy.com in case of shares held in physical mode.

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 the Email: investor@eClerx.com.

Thanking you,

For eClerx Services Limited

Gaurav Tongia

Company Secretary

PROXY FORM

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

eClerx Services Limited

CIN: L72200MH2000PLC125319
Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai - 400 023, Maharashtra, India
Phone no.: +91 (22) 6614 8301 Fax No: +91 (22) 6614 8655 Email: investor@eClerx.com Website: www.eClerx.com

17th Annual General Meeting - Tuesday, August 22, 2017

Name of the Member(s)	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	
DP ID:	

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

Name : .....

Address : .....

E-mail Id : .....

Signature : .....or failing him/her

Name : .....

Address : .....

E-mail Id : .....

Signature : .....or failing him/her

Name : .....

Address : .....

E-mail Id : .....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company, to be held on the 22nd day of August, 2017 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, 2017, 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, 2017, together with the Reports of the Auditors thereon;			
2.	To declare dividend for the year ended March 31, 2017 @ Re. 1/- per share.			
3.	To appoint a Director in place of V. K. Mundhra, [DIN: 00282180], who retires by rotation and being eligible, offers himself for re-appointment.			
4.	To ratify the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company.			
Special Business:				
5.	To appoint Shailesh Kekre, [DIN: 07679583], as a Director in the capacity of Non-Executive Independent Director			

Signed this _____ day of _____ 2017

_____ _____

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 s/he deems appropriate.

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

SHAREHOLDER'S SATISFACTION SURVEY FORM – 2017

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 softcopy 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

Gaurav Tongia
Company Secretary

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			
Issue of bonus shares 2015			
Buyback of equity shares 2016			
Issue of duplicate dividend warrants			
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 2016-17			
Please give your overall rating of our investor service (1 to 5 where 1 = highly dissatisfied and 5 = highly satisfied)			
Did you find the Email: 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.

eClerx Cares

Corporate Social Responsibility

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. 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 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.

Mumbai Marathon 2017



eClerx Annual Day 2017



Samparc Children's Act



Art and Craft by Shanti Niketan Children



Designed by eClerx Communication Design Team

eClerx

eClerx Services Limited

CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023,
Maharashtra, India.
Ph. No.: +91 (22) 6614 8301
Fax No.: +91 (22) 6614 8655
E-mail: investor@eclerx.com
Website: www.eClerx.com | www.eClerxmarkets.com | www.eClerxdigital.com

