eClerx

eClerx/SECD/SE/2018/139

August 29, 2018

BSE Limited Corporate Relationship Department, Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai - 400 001	**National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, Block G, Bandra - Kurla Complex Bandra (East), Mumbai – 400 051

Dear Sir/Madam,

Sub: Compliance under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

Pursuant to Regulation 34 of the Listing Regulations, please find attached the Annual Report for the financial year 2017-2018 duly approved and adopted by the shareholders at the 18th Annual General Meeting held on Wednesday, August 29, 2018 at 10:15 a.m. at Walchand Hirachand Hall, Indian Merchants' Chamber, LNM IMC Building, Churchgate, Mumbai - 400 020.

The Annual Report for the financial year 2017-2018 is also uploaded on the website of the Company www.eclerx.com.

This is for your information and record.

Thanking you,

Yours truly,
For **eClerx Services Limited**

eClerx Services Limited Mumbai

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Registered Office
eClerx Services Limited,
[CIN: L72200MH2000PLC125319]
Sonawala Building, 1st Floor, 29 Bank Street, Fort,
Mumbai - 400 023, Maharashtra, India.
Ph: +91 (022) 6614 8301 | Fax: +91 (022) 6614 8655
E-mail ID: contact@eclerx.com | www.eClerx.com

A Data Analytics and
Process Management Company

eClerx

Annual Report 2017-18



TOWARDS
TOMORROW

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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 is one of India's leading **process management** and **data analytics companies**

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

Incorporated in 2000, eClerx is one of India's leading process management and data analytics companies and is today traded on recognized Stock exchanges of India, which are BSE and NSE. eClerx employs more than 9,200 people across its global sites in the US, UK, India, Italy, Germany, Singapore, Thailand.

OUR VALUES

EXCELLENCE

Be passionate and commit to doing your best.

Excellence is a continuous process: we focus on achieving our goals through ongoing improvement, innovation, and applying the highest quality standards.

INTEGRITY

Act with honesty and highest standards of business ethics to achieve success.

We demonstrate **morality and fairness** in our decision making and practices. We encourage our teams to maintain the **highest standards of business ethics** when interacting with clients, stakeholders and each other.

CLIENT CENTRIC

Our clients' needs, aspirations and vision is at the core of everything we do.

We help our clients **succeed and excel**. In every interaction and with every solution we deploy, our clients' best interest is always at the forefront.

PEOPLE

Invest in our people and foster an environment that brings out the best in them.

We invest in and develop our people. We provide them with opportunities to perform and grow through continuous learning, coaching and mentorship opportunities. We value differences and treat each other with empathy, respect and equality.

AWARDS AND ACCOLADES

Won the
Golden Peacock Awards, 2018 for Quality

eVigilPRO was recognized by
DataQuest Vertical Warrior Award 2017

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

Won the
eCare Partner of the year 2018 Award from one of the major Telecommunication Conglomerate in the US

Won the
CFO Awards 2018 in large enterprises category, by Financial Express

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

WHAT WE DO

CUSTOMER OPERATIONS



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

Quality Monitoring & Insights | Technical Operations | Digital Care Services | Analytics & Advanced Automation

DIGITAL



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

Marketing | eCommerce | Business Intelligence and Analytics | Creative

FINANCIAL MARKETS



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

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

OUR LOCATIONS

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



REGISTERED OFFICE

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

CORPORATE OFFICE

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

GLOBAL OFFICES

USA

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

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

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

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

UK

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

Germany

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

France

eClerx CLX, 26, Rue des Pyramides
59000 Lille
France
Phone:+33 320 13913
Fax: +33 320 139133

Italy

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

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

Singapore

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

Thailand

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

India

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

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

Block 01, 5th Floor,
Quadron Business Park Limited,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase-II
Pune – 411 057,
Maharashtra, India
Phone: +91 (020) 4027 7990
Fax: +91 (020) 6676 4480

2nd Floor, Block 4,
Quadron Business Park Plot No. 28,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase II,
Pune – 411 057,
Maharashtra, India
Phone: +91 (020) 4027 7990
Fax: +91 (020) 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
Phone: +91 (020) 66982399

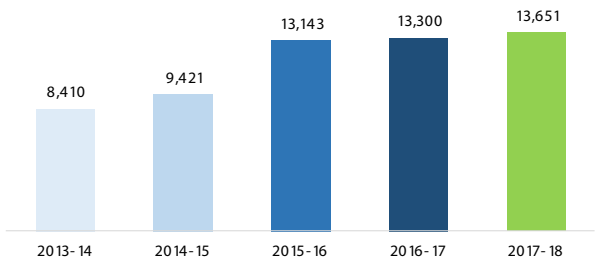
1st and 2nd Floor, Towers A & B
DLF Info City Developer
Rajiv Gandhi Chandigarh Technology Park,
Kishangarh
Chandigarh – 160 101,
India
Phone: +91 (172) 6633600
Fax: +91 (172) 6633 623

FINANCIAL HIGHLIGHTS

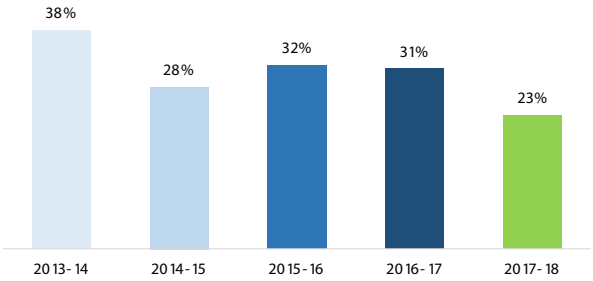
(Rupees in Million)

PARTICULARS	2013-14	2014-15	2015-16	2016-17	2017-18
Income from Operations	8,409.94	9,421.20	13,143.16	13,300.33	13,650.62
Other Income	110.20	323.52	369.46	282.00	402.31
Earnings Before Interest, Depreciation, Taxes and Amortisation	3,645.98	3,479.56	5,168.20	4,876.54	4,065.45
Tax Expenses	759.14	682.58	1,184.97	819.03	895.80
Profit After Tax	2,556.56	2,296.76	3,414.95	3,540.27	2,899.84
Equity Share Capital	301.77	303.51	407.89	397.10	381.41
Reserves	5,587.75	8,144.43	10,519.49	11,756.41	11,666.05

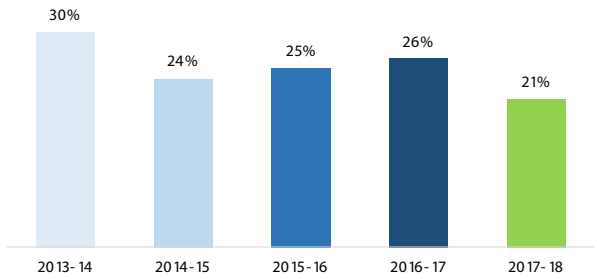
Operating Revenue (₹ in Million)



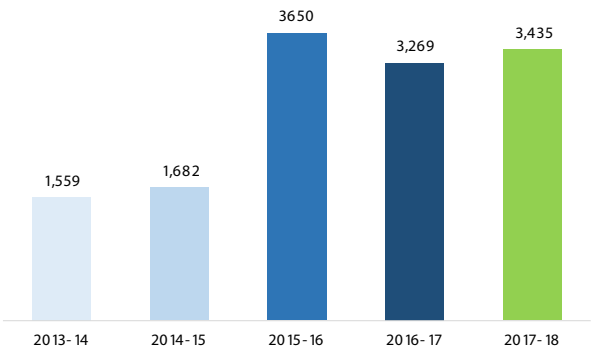
Operating Margin (%)



Profit After Tax (%)



Fixed Assets (₹ in Million)



CHAIRMAN'S MESSAGE

Year in Review

Our clients experienced a mixed business environment in Fiscal 2018. In the US – domicile for the majority of our clients– the passing of the tax reform act and the partial roll back of onerous regulatory burdens led to increased profitability and business confidence. Compliance and consumer protection costs however increased across our broader client universe, with greater responsibility placed on our clients to ensure the highest standards of business practices. Amidst a backdrop of elevated political rhetoric, some trade tariffs, job protections and visa restrictions were imposed adding further to the cost of doing business. Automation continued to be in the forefront for clients and investments continued towards digitising business functions. Experiments with robotics, machine learning, block chain accelerated and utilities were once again high on discussion agendas as clients looked to reduce cost.

We felt well prepared to take advantage of these changes in the year and fiscal year 2018 therefore marked a welcome return to growth for eClerx. Overall revenues grew to just under USD 200mm, and profits to just under INR 3,000 mm led by growth in our Financial Markets and Digital businesses. Overall sales for the firm – new contracts and orders – were strongest of our history and we notably added a number of large clients across each of our businesses. It is of some note that whilst firm revenues have increased by a third over the past three years, the firm's risk profile is also today dramatically improved. Over this time, our top ten client concentration has decreased from 87% to 70%, our top 5 from 67% to 60% and our largest service line now represents 15% of revenue, down from over one-fifth. Today we have 6 clients over $5mm in revenue, and our number of $1mm clients has increased from 14 three years ago to 23 this year. Notably, a fifth of the firm's revenue now derives from outside India delivery making us the most global and closest to customer we have ever been.

We have achieved good growth into new business lines this year. In Financial Markets, notable growth came from our data and compliance services with particular focus on onshore consulting and managed services, and from automation projects leveraging machine learning and robotics. Customer Operations offset a client loss with new client wins across dispatch and quality services, and added new business for delivery out of our North Carolina centre. Digital continued strong growth with online operations being the largest driver. Creative services – notably Computer Generated Imagery – and onshore-led advanced Analytics witnessed strong demand both with existing clients and new logos. Client advocacy continued to be strong for eClerx – we won notable client awards and continued to win new business at existing clients.

The industry recognised our work. Our internal service excellence team won the National Golden Peacock award. Our investments in training automation were recognized at the CLO Summit for 'Best Customer Service Training Program'. Finally, we were in the top two companies for investor returns and governance across all listed mid cap and large cap IT and ITeS firms at the Financial Express CFO awards. These are great accolades.

Corporate Social Responsibility

We remain deeply committed to our social responsibilities as firm, and to our CSR program. This year we focused on increasing employee participation and on enhancing capabilities of the charity organizations that we partner with, through initiatives to teach modern technology and

management skills. We also launched CSR initiatives in partnership with some of our clients. As always, the focus of our initiatives remains to help children obtain a better education and to develop skills to gain life independence. As a management team, we take pride in the work we do in these areas.

Progress on Our Strategic Roadmap

Much of our success in this year has built on progress in our strategic initiatives.

First, and the most notable was the build out of our on shore service delivery capabilities. 2018 saw overall outside India headcount reach just over 500. This helped us address two large trends that we had anticipated. First the move towards more complex services requiring greater client interaction, and solutions that combine technology, analytics and processing, and second, the greater demand for customer -facing support from within client geographies. In 2018, we purchased the assets of 24 Consulting, a New York - based onshore consulting firm focused on complementary areas of business and further invested in onshore recruiting capabilities. This helped us deploy client programs spanning consulting and project management. At our Italian business CLX, the transfer of creative capabilities to our India centres created capacity in Verona and Phuket to deliver newer services and to spur growth. In Onshore Analytics, we saw a substantial increase in the overall sophistication of services provided, with a particular focus on services co-delivered from onshore and offshore. We added Singapore to our delivery locations, and our teams in Austin and Toronto grew substantially. The successful launch of client funded programs at our North Carolina site saw delivery headcount increase and in light of strong client interest, we agreed to increase delivery capacity at that site.

Second, we made substantial progress across our technology efforts. We made strategic technology hires both onshore and offshore, created partnerships with emergent product companies and sold the highest number of technology programs into clients. An increasing share of new sales embedded technology platforms and tools, allowing us to skew business mix to productised and managed services. We embarked on a number of new robotics and machine learning initiatives – both internal and client funded – to improve efficiency and reduce cost. In some instances, this led directly to increased profitability for eClerx. A significant portion of onshore and consulting engagements leveraged technology skills and we found our mix of specific domain knowledge, industry expertise, and relevant technology skills of high value to clients. This drive to tech-wrapped services remains core to differentiation, relevance, stickiness, and long-term value for eClerx.

Finally, we continued our growth in Analytics and we had a strong year, leveraging client-location delivery and technology to drive new growth. We continued to focus away from 'managing' data to extracting value, insights and outcomes, 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.

Buyback and Capital Allocation

We pride ourselves as a firm focused on prudent allocation of capital to ensure high profitability and industry-leading returns. In 2018 we completed our second successful and oversubscribed buyback, maintaining our tradition of returning excess capital to investors, whilst ensuring sufficient capital to fund strategic growth objectives.

A Decade as a Public Listed Company

This year we completed ten years as a public company. It is a remarkable fact that we have now been a public company for more than half of our young existence, and that has certainly made us grow up quickly. As a result we have today processes, systems and a culture that make us the bell weather company of our size, and perhaps of any Indian company. 2018 leaves us stronger and better - we have a greater mix of services, are closer to customer and are more global. With our enviable list of blue-chip clients, our increasingly relevant capabilities and comfortable capital position, we can be a leader in our industry. We thank you for your belief in us and for your ongoing support.

Sincerely,

Pradeep Kapoor
Chairman

CORPORATE INFORMATION

Board of Directors



Pradeep Kapoor
Chairman & Non-Executive Independent Director



PD Mundhra
Executive Director



Anjan Malik
Non-Executive Director



Anish Ghoshal
Non-Executive Independent Director



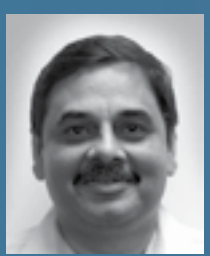
Biren Gabhawala
Non-Executive Independent Director



Alok Goyal
Non-Executive Independent Director



Deepa Kapoor
Non-Executive Independent Director



Shailesh Kekre
Non-Executive Independent Director

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.

Bankers

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

Chief Financial Officer

Rohitash Gupta

Company Secretary

Pratik Bhanushali

Registered Office

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

Registrar & Transfer Agent

Karvy 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



NOTICE

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting (AGM) of the Members of eClerx Services Limited ('the Company') will be held on Wednesday, August 29, 2018 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, 2018, 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, 2018, together with the Reports of the Auditors thereon.
2. To declare dividend for the year ended March 31, 2018 amounting to ₹ 1/- per share.
3. To appoint a Director in place of Mr. Anjan Malik, [DIN: 01698542] who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board
For eClerx Services Limited

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Date: May 23, 2018
Place: Mumbai

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.

   Person appointed as a proxy shall act on behalf of such number of member(s) not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. Further, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Annual Report of the company and other documents sent through e-mail is also available on the Company's website www.eclerx.com.
4. In terms of the Listing Regulations, it is mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, and transmission of shares and transposition of shares.
5. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically by sending an e-mail to the RTA or the Company.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 23, 2018 to Wednesday, August 29, 2018 (both days inclusive) for the purpose of Eighteenth Annual General meeting and for payment of Dividend for the financial year ended March 31, 2018.
7. 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.

8. M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (ICAI FRN: 101049W/E300004), Mumbai, who are the Statutory Auditors of the Company, hold office up to the conclusion of Nineteenth AGM. Pursuant to the Companies Amendment Act, 2017, their appointment is not subject to annual ratification at the AGM with effect from May 7, 2018. Accordingly, the notice does not contain proposal for ratification of their appointment.

9. 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.

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

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

12. 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 Wednesday, August 22, 2018, 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 24, 2018 and will end at 5.00 p.m. (IST) on Tuesday, August 28, 2018. 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 via ballot.

13. The Company has appointed Ms. Dipti Mehta (Membership No. FCS 3667) and failing her Ms. Ashwini Inamdar (Membership No. F9409) of Practising Company Secretary 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 authorised 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 Mr. S. V. Raju, Deputy General Manager (Unit: eClerx Services Limited) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Hyderabad - 500 032, Telangana, India. or at evoting@karvy.com or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800- 3454- 001 for any further clarifications.

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 24, 2018 (9.00 a.m. IST) and ends on Tuesday, August 28, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, August 22, 2018, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast their vote again.

VI. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, August 22, 2018.

VII. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., Wednesday, August 22, 2018, he/she may obtain the User ID and Password in the manner as mentioned below :

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

Example for NSDL : MYEPWD <SPACE> IN12345612345678

Example for CDSL : MYEPWD <SPACE> 1402345612345678

Example for Physical : MYEPWD <SPACE> XXX1234567890

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

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

(d) Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose 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 website of the Company. 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.

14. Members are requested to:

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

(b) The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on communication in physical form in addition to e-communication, or have any other queries, may write to the Company 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.

15. Dividend as recommended by the Board of Directors, if declared at the meeting, shall be paid after August 29, 2018, but within the statutory time limit of 30 days, to the shareholders whose name appears on the Register of Members of the Company as per the book closure fixed for the purpose. In case of shares held in dematerialised form, the dividend thereon shall be paid to the beneficial owners, as per list provided by the Depositories for the said purpose.

16. 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 Rules thereunder, dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, shares related to such cases will be transferred to Investors Education and Protection Fund.

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

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

18. 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.

19. 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.

ANNEXURE(S) TO THE AGM NOTICE

Information regarding Director(s) seeking appointment/re-appointment at the Eighteenth 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	Mr. Anjan Malik	
DIN	01698542	
Age	48 years	
Profession	Business Executive	
Qualification	Bachelor's Degree in Physics, with honours from the Imperial College of Science and Technology, London (UK) and a Masters of Business Administration degree in Finance from the Wharton School of Pennsylvania (USA)Bachelor's Degree in Physics, with honours from the Imperial College of Science and Technology, London (UK) and a Masters of Business Administration degree in Finance from the Wharton School of Pennsylvania (USA)	
Date of first appointment on the Board	May 10, 2000	
Expertise in specific functional area and experience	Mr. Anjan Malik, is a Co-founder and Director of eClerx Services Limited and the Executive Director of its on-shore subsidiaries. He has over 27 years of experience across consulting, investment banking and knowledge process outsourcing. He has worked with Accenture in Europe and Lehman Brothers in the US before starting eClerx with Mr. PD Mundhra, in 2000.	
Remuneration Details	No remuneration had been paid, by the Company, during FY 2017-18. However as stated in Notes to Accounts, he was paid ₹ 17.37 million (which includes ₹ 10.53 million of bonus provisions) from eClerx Limited, (U.K.) and ₹ 6.88 million from eClerx Investments (U.K.) Limited wholly owned subsidiaries of the Company, during FY 2017-18.	
Relationship with other directors and Key Managerial Personnel of the Company	N.A.	
Directorships held in other Companies	NIL	
Memberships/Chairmanships held in committees of the Board of other companies	NIL	
The number of meetings of the Board attended during the year	No. of meetings held	No. of meetings attended
	6	5
Shares held in the Company as on the date of Notice	9,689,920 equity shares of ₹ 10/- each (25.08%)	

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their Eighteenth Annual Report along with the audited annual accounts for the financial year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

Key aspects of Financial Performance/ Operating Performance of the Company for the year ended March 31, 2018 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, wherever required:-

(Rupees in Million)

	Standalone		Consolidated	
Particulars	2017-18	2016-17	2017-18	2016-17
Income from operations	11,440.21	11,620.22	13,650.62	13,300.33
Other income	438.27	284.79	402.31	282.00
Total Revenue	**11,878.48**	**11,905.01**	**14,052.93**	**13,582.33**
Operating expenses	8,180.72	7,406.62	9,987.48	8,705.79
Earnings before interest, tax, depreciation and amortization (EBITDA)	**3,697.76**	**4,498.39**	**4,065.45**	**4,876.54**
EBITDA%	**31.13%**	**37.79%**	**28.93%**	**35.90%**
Finance costs	-	-	0.40	0.25
Depreciation, goodwill & amortization expenses	295.99	364.07	482.42	517.96
Earnings before exceptional items & tax	3,401.77	4,134.32	3,582.63	4,358.33
Exceptional items	212.59	(80.41)	212.59	-
Net profit before tax (PBT)	3,614.36	4,053.91	3,795.22	4,358.33
Taxes	833.17	742.43	895.80	819.03
Profit for the year before minority interest	2,781.19	3,311.48	2,899.42	3,539.30
Minority interest	-	-	(0.42)	(0.97)
Profit for the year attributable to shareholders	**2,781.19**	**3,311.48**	**2,899.84**	**3,540.27**
NPM%	**23.41%**	**27.82%**	**20.63%**	**26.07%**

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 2017-18 till the date of this Report, which would affect the financial position of your Company.

3. DIVIDEND

Based on the overall Company's performance, your Directors are pleased to recommend a dividend of ₹ 1/- (10%) per share. The total quantum of dividend payout if approved by the Members will be about ₹ 46.49 million including about ₹ 7.86 million which will be paid by the Company towards dividend tax and surcharge on the same.

The Company had paid a dividend of ₹ 1/- per share (10%) in the previous year. The Company intends to maintain historical payout ratio and is exploring efficient methods to achieve the same. The historical data of dividend distribute by the Company is as follows:

S. No.	Dividend	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11
1	Dividend (Final)	1.00	1.00	35.00	35.00	25.00	17.50	22.50
2	Total Dividend for the year	1.00	1.00	35.00	35.00	25.00	17.50	22.50
3	Dividend as % EPS (Basic)	1.4%	1.2%	46%	41%	43%	32%	53%
4	Dividend as % Profit After Tax	1.4%	1.2%	46%	41%	44%	32%	53%
5	Tax Amount (₹ million)	8.12	8.36	222.28	179.50	126.93	82.50	105.32

The register of members and share transfer books will remain closed from Thursday, August 23, 2018, to Wednesday, August 29, 2018 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The Eighteenth Annual General Meeting of the Company is scheduled to be held on Wednesday, August 29, 2018.

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 https://eclerx.com/wp-content/uploads/2018/06/DividendDistributionPolicy.pdf

5. GENERAL RESERVE

The Company has not transferred any amount to the General Reserve for the financial year ended March 31, 2018.

6. BUY BACK OF EQUITY SHARES

During the year under review, the Company bought back 1,290,000 fully paid-up equity shares of face value of ₹ 10 each, constituting up to 3.24% of the issued, subscribed and paid-up equity share capital of the Company as on March 31, 2017. 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 February 05, 2018, by way of a Tender Offer for cash at a price of ₹ 2,000 (Rupees Two Thousand only) per Equity Share for an aggregate amount up to ₹ 2,580 million excluding transaction cost(s), pursuant to shareholders approval dated January 23, 2018.

The Buyback size was about 24.99% 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, 2018. Demat Equity Shares 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 and paid up capital was thus reduced to 38,629,082 equity shares of ₹ 10/- each.

7. PUBLIC DEPOSITS

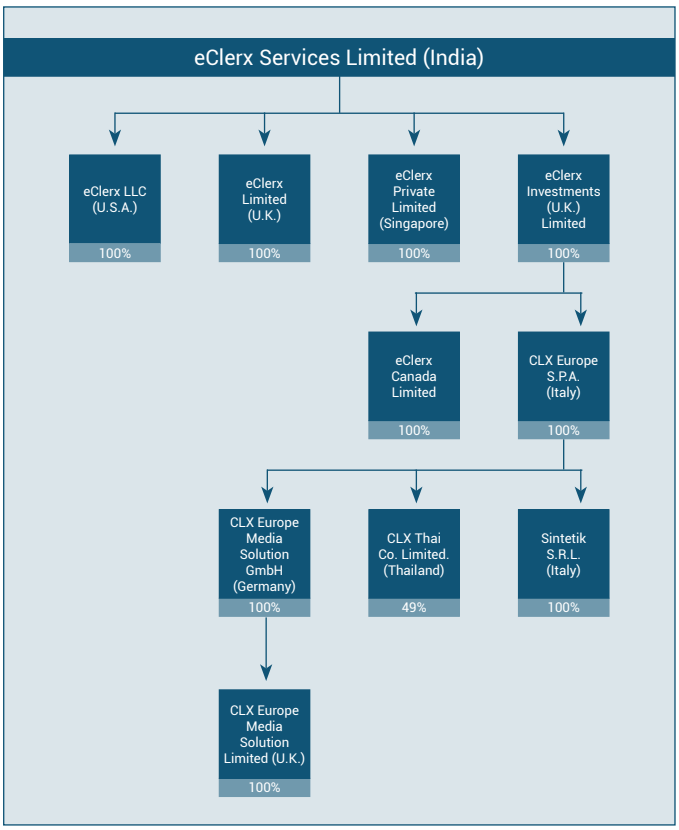
During the year, your Company has not accepted any deposits within the meaning of the provisions of Section 73 of the Companies Act, 2013.

8. SUBSIDIARIES / ASSOCIATE COMPANIES

MCA vide its notification dated September 20, 2017 issued the Companies (Restriction on number of layers) Rules, 2017, whereby a holding company can create upto 2 layers of subsidiaries only. There is no compulsion to reduce the layers of subsidiaries as of now but Form CRL -1 has to be filed within 150 days elaborating the above structure. No further addition in layers of subsidiary is allowed except under aforesaid overseas acquisition route. The Company is in compliance with the maximum numbers of investment layers allowed.

In this regard, Company has filled necessary E-forms with Registrar of Companies within due date.

The Company has following subsidiaries/associates as on March 31, 2018:



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

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

Pursuant to Section 136 of the 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 (Monday to Friday) between 11.00 a.m. to 6.00 p.m. up to the date of AGM and at the venue of AGM during AGM.

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 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
US$ 0.5-1 million	17	14	16	7	6
US$ 1-5 million	17	18	17	7	6
More than US$ 5 million	6	6	7	7	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 and Board of Directors for review of actionable items. The review of the IFC, Inter-alia, consists of the three components of internal controls, viz., Entity level controls, Key financial reporting controls and Internal controls in operational areas.

12. CHANGES IN SHARE CAPITAL

Particulars	No. of shares	Amount in Rupees.
Issued, subscribed and Paid-up Capital as on April 1, 2017	39,784,171	397,841,710
Add: Number of shares allotted during the year FY 2017-18 on account of ESOP Allotment	134,911	1,349,110
Less: Shares bought back via "Tender Offer" Route during the year FY 2017-18	1,290,000	12,900,000
Issued, subscribed and Paid-up Capital as on March 31, 2018	38,629,082	386,290,820

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. Pursuant to the Companies Amendment Act, 2017, their appointment is not subject to annual ratification at the AGM with effect from May 7, 2018. Accordingly, the notice does not contain proposal for ratification of their appointment.

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 2017-18 in Form MR-3 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, 2013 read with the Companies (Management and Administration) Rules, 2014 is given in the Annexure-II forming part of this report.

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

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

The brief resume of Anjan Malik as required, interalia, in terms of Regulation 36 of the Listing Regulations and the required proposal for reappointment of the above Director at the forthcoming Annual General Meeting is included in the Notice convening this Annual General Meeting. Anjan Malik is not a Key Managerial Personnel pursuant to the provisions of Companies Act, 2013.

During the year, Mr. V. K. Mundhra resigned from the Board on November 01, 2017 and Mr. Vikram Limaye resigned from the Board on June 10, 2017.

During the year, Mr. Gaurav Tongia has resigned from the designation of Company Secretary & Compliance officer effective from November 17, 2017 and his place, Mr. Pratik Bhanushali has been appointed as Company Secretary & Compliance officer effective from on January 30, 2018.

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 its report. This exercise, inter-alia, aimed at evaluation of the Board at a collective level and evaluation of individual board members, including peer review and self-assessment. The individual reports were submitted to respective directors whereas the Board level report was placed before the Nomination and

Remuneration Committee as well as the Board of Directors, for review, requisite noting and action items.

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

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for candid communication and rigorous decision making;
- Board's focus on wealth 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(s), inter-alia, modelled on the following factors:

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

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

In separate meetings of Independent Director which was held on December 22, 2017, and May 23, 2018, performance, inter-alia, 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. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

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

d) Extant Committees of Board of Directors;

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

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

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

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

In addition to this, periodic 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 https://eclerx.com/wp-content/uploads/2018/07/DetailsofFamiliarisationProgrammes-IndependentDirectors.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 https://eclerx.com/wp-content/uploads/2018/06/StandardAppointmentLetter-IDs.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 2017-18, 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, 2018 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 2017-18, 6 (Six) Board Meetings were held as follows:

May 30, 2017	August 11, 2017	November 1, 2017
December 22, 2017	January 30, 2018	March 13, 2018

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 2017-18.

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 https://eclerx.com/wp-content/uploads/2018/06/NominationRemunerationPolicy.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 wrong doing that may adversely impact the Company, the Company's customers, shareholders, employees, investors, or the public at large. This policy, inter-alia, also sets forth (i) procedures for reporting of questionable auditing accounting, internal control and unjust enrichment matters and (ii) an investigative process of reported acts of wrong doing and retaliation from employees, inter-alia, on a confidential and anonymous basis.

The aforesaid policy has also been posted on the Company's website on https://eclerx.com/wp-content/uploads/2018/06/WhistleBlowerPolicy.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	N.A.
Investment	Please refer Notes to Standalone Financial Statement – Note No. 5.1

28. 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, 2018	Outstanding Balance as at March 31, 2018
eClerx Limited	Sales and marketing services by subsidiary to the Company	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014 / ongoing	454.95	174.40 Payable
	Amount received by the Company on behalf of the subsidiary		N.A.			2.13	
	ITES services by subsidiary to holding					7.41	
	Amount received by subsidiary on behalf of the Company					0.46	1.98 receivable
	Expenses incurred by the Company on behalf of subsidiary		N.A.			1.99	
	ITES services by the Company to subsidiary					1.52	
eClerx LLC	Sales and marketing services by subsidiary to the Company	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014 / ongoing	1576.38	510.51 Payable
	Amount received by the Company on behalf of the subsidiary		N.A.			7.06	
	ITES services by subsidiary to the Company holding					21.21	
	Expenses incurred by the Company on behalf of subsidiary		N.A.			2.99	43.69 receivable
	Amount received by subsidiary on behalf of the Company		N.A.			9.40	
	ITES services by the Company to subsidiary					43.43	
Anjan Malik	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	As decided/ recommended by Board and / or approved by Shareholders	

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, 2018	Outstanding Balance as at March 31, 2018
PD Mundhra	Remuneration	Executive Director	N.A.	5 years (April 1, 2015 to March 31, 2020)	October 30, 2014	24.15	
	Dividend		N.A.	FY 2014-15	May 25, 2015	As decided/ recommended by Board and / or approved by Shareholders	-
V.K. Mundhra	Dividend	Director	N.A.	FY 2014-15	May 25, 2015	As decided/ recommended by Board and / or approved by Shareholders	-
Rohitash Gupta	Remuneration	Key Management Personnel	N.A.	Ongoing /FY 2014-15	Ongoing	22.05	
	Dividend		N.A.		May 25, 2015	As decided/ recommended by Board and / or approved by Shareholders	-
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 by subsidiary to the Company	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014 / ongoing	86.78	26.89 Payable
	ITES services by subsidiary to to the Company					2.92	
	Amount received by holding on behalf of the Subsidiary					3.16	
	Expenses incurred by the Company on behalf of subsidiary		N.A.			1.16	3.98 receivable
	Amount received by subsidiary on behalf of the Company					6.52	

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, 2018	Outstanding Balance as at March 31, 2018
CLX Europe S.P.A.	ITES Services provided by step down subsidiary to the ultimate holding Company	Step-down Subsidiary	Contract of ITES Services	Ongoing	May 25,2015	26.82	6.79 Payable 10.97 Receivable
	ITES services provided by the Company to step down subsidiary					104.80	
CLX Europe Media Solutions Ltd. (UK)	ITES services by the Company to step down subsidiary Company					1.81	-

Company has granted loan to eClerx Employee Welfare Trust, as per details set out in Note No. 33 under Standalone 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 23, 2018

Pradeep Kapoor
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, 2018, from subsidiaries, associate companies or firms / companies in which directors are interested.

29. 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.

30. 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.

31. 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.

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

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

During FY 2017-18, total 9 cases of Sexual harassment were reported, all cases have been satisfactorily addressed within the defined timelines. Out of 9 cases, 2 cases were unsubstantiated, in 1 case the respondent was found to be guilty and appropriate action was taken and 6 cases were resolved through conciliation. There were no pending cases as on March 31, 2018.

33. 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 CORPORATE SOCIAL RESPONSIBILITY (CSR) is becoming extremely important as forward-thinking, socially conscious companies embed initiatives in their business practices that add value and benefit society, build healthy communities, enhance cultures while at the same time work

towards environmental wellbeing. CSR is now being looked at as a concept different from pure philanthropy and more in tune with strategic intervention that ultimately benefits industry itself and as a strategic intervention of giving back to the society.

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

Employee Engagement

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

- Payroll Giving – existing tie up with Nanhi Kali and CRY. Till date, more than 5000 employees contributed a part of their salaries towards payroll giving. eClerx matches contribution made by each employee.
- A 200 strong contingent of eClerx employees participated in the Standard Chartered Mumbai Marathon pledging their support to the cause of education for the poor and downtrodden. While 120 participated in the 6 km Dream Run category, 80 employees participated in the professional categories of 10 km and 21 km Half Marathon.
- 120 employees from our Pune office participated in the Heritage Walk organized by our partner NGO – SAMPARC, to promote the cultural heritage of Maharashtra and to promote the work done by SAMPARC in the Lonavala region.
- Annual Learn-and-Fun Day event for the students of schools 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.
- Our employees supported government school students of Std Xth from our partner NGOs to fill up their online college admission forms.
- Performances by kids from Seva Sadan and LAHI at Mumbai, SAMPARC and Snehalaya at Pune, and Shanti Niketan and Jyoti Sarup Kanya Asra at Chandigarh for our Annual Day celebrations - Fiesta.
- Some of our employees from Mumbai and Pune participated in a wall painting activity to promote the need to 'Stop Modern Day Slavery'.
- Old and reusable material were contributed by our employees to Goonj, which undertakes disaster relief, humanitarian aid, and community development in parts of 22 states across India.
- With the help of volunteers from Pune helped to stamp and barcode books which were used in libraries set up by Akshar Bharati in several schools across Maharashtra.
- eClerx had sponsored a computer lab at JSKAS, which was completely built and managed by the volunteers. A team of dedicated employees from Chandigarh takes turns to conduct basic computer training for 50+ children from Jyoti Sarup Kanya Asra Society.

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 https://eclerx.com/wp-content/uploads/2018/06/CSRPolicy.pdf

c. **Composition of CSR Committee:**

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

d. **Average Profit Before Tax for last 3 Financial Years**

Financial Year	Average Net Profit (in Million)
2014-15	2,700.34
2015-16	3,911.02
2016-17	4,053.91
Total Profit	**10,665.27**
Average Profit	**3,555.09**

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

₹ 71.11 million

f. Details of CSR spent during the financial year

a. Amount spent during the Financial year: ₹ 71.11 million

b. Amount unspent if any: Nil

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

S No	CSR Projects or activities identified	Sector in which the project is covered	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or program was undertaken	Amount outlay (budget) projects or program wise (Rupees in Million)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overhead (Rupees in Million)	Cumulative Expenditure upto March 31, 2018 (Rupees in Million)	Direct or Implementing Agency*
1	Sanskriti Samvardhan Mandal	Child Education	Other - Maharashtra	4.72	4.72	4.72	Through Implementing Agency
2	Parivaar - Amar Bharat Vidyapeeth	Child Education	Other - West Bengal	4.76	4.76	4.76	Through Implementing Agency
3	SAMPARC	Child Education	Other - Maharashtra	11.29	11.29	11.29	Through Implementing Agency
4	LAHI (Lend a Hand India)	Child Education	Local Area - Mumbai, Pune	14.58	14.58	14.58	Through Implementing Agency
5	Snehalaya	Child Education	Other - Maharashtra	5.96	5.96	5.96	Through Implementing Agency
6	Jyoti Sarup Kanya Aasra	Child Education	Local Area - Chandigarh	5.68	5.68	5.68	Through Implementing Agency
7	Kaveri Vanitha Sevashrama	Child Education	Other - Bangalore	1.71	1.71	1.71	Through Implementing Agency
8	NASSCOM Foundation	Child Education	Local Area - Mumbai, Pune and Chandigarh	4.75	4.75	4.75	Through Implementing Agency
9	Magic Bus	Child Education	Local Area - Mumbai	3.93	3.93	3.93	Through Implementing Agency
10	Seva Sadan	Child Education	Local Area - Mumbai	1.50	1.50	1.50	Through Implementing Agency
11	K C Mahindra Trust A/c Nanhi Kali	Child Education	Local Area - Mumbai	1.40	0.43	0.43	Through Implementing Agency
12	CRY	Child Education	Local Area - Mumbai		1.00	1.00	Through Implementing Agency
13	Magic Bus (TMM)	Child Education	Local Area - Mumbai	2.01	2.01	2.01	Through Implementing Agency
14	LAHI (Lend a Hand India) (TMM)	Child Education	Local Area - Mumbai, Pune	1.34	1.34	1.34	Through Implementing Agency
15	United Way (TMM)	Child Education (Admin Exp)	Local Area - Mumbai	0.65	0.65	0.65	Through Implementing Agency
16	CSR Lead	Child Education (Admin Exp)	Other	1.00	1.00	1.00	Direct

S No	CSR Projects or activities identified	Sector in which the project is covered	Projects or Programs 1. Local area or other 2. Specify the State and district where projects or program was undertaken	Amount outlay (budget) projects or program wise (Rupees in Million)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overhead (Rupees in Million)	Cumulative Expenditure upto March 31, 2018 (Rupees in Million)	Direct or Implementing Agency*
17	Internal engagement events, and other Admin Expenses	Child Education (Admin Exp)	Other	0.50	0.78	0.78	Direct
18	Research study on Modern Slavery	Child Education	Local Area - Mumbai	0.70	0.74	0.74	Through Implementing Agency
19	Employee Driven Programs	Child Education	Local Area - Mumbai, Pune and Chandigarh	2.00	2.08	2.08	Through Implementing Agency
20	Capacity building for CSR Staff and NGO Partners	Child Education (Admin Exp)	Local Area - Mumbai	0.44	0.47	0.47	Through Implementing Agency
21	SAMPARC (Heritage Walk)	Child Education (Admin Exp)	Local Area - Pune	0.12	0.12	0.12	Through Implementing Agency
22	Impact Assessment of four Programs	Child Education	Local Area - Mumbai	1.00	1.11	1.11	Through Implementing Agency
23	Bal Asha Trust	Child Education	Local Area - Mumbai	0.50	0.50	0.50	Through Implementing Agency
24	Contingency Amount	Child Education	Other	0.57	-	-	Direct
Total				71.11	71.11	71.11	

*Details of implementing Agency(ies):

eClerx Cares currently works with 11 NGOs for whom we have 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 drop outs, and higher education support for senior girls of SAMPARC.
- Sanskriti Samwardhan Mandal (SSM): Strengthening Resources for Emerging Excellence (SREE) – 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.
- 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 – kids removed from red light areas of Ahmednagar.
- **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 infants to twenty three year olds. eClerx has funded the development of a computer / communication lab with 25 computers.
- **Seva Sadan –** Seva Sadan runs schools for underprivileged children and a shelter home for destitute women and girls. eClerx partnered with Seva Sadan for setting up of science labs and computer center in the schools.
- **NASSCOM Foundation –** eClerx partnered with NASSCOM Foundation to provide new age skills of digital analytics and non-voice CRM to over 600 students from tier 2 and 3 colleges from Mumbai, Pune and Chandigarh.

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.

		Deepa Kapoor
Mumbai	**PD Mundhra**	Chairperson
May 23, 2018	Executive Director	CSR Committee

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

34. 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, 2018 for Quality.
- eVigilPRO was recognized by DataQuest Vertical Warrior Award 2017.
- Won Bronze at ASQ's (American Society for Quality) SATEA (South Asia Team Excellence Award).
- Won the eCare Partner of the year 2018 Award from one of the major Telecommunication Conglomerate in the US.
- Won the CFO Awards 2018 in large enterprises category, by Financial Express.
- Emerged runner-up in the Process Improvement category of the QualTech Prize 2017, organized by QIMPRO.

35. 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: 1:91; Non-Executive Non Independent Director: NA; Non-Executive Independent Director: 1:6.5 (excluding sitting fees)
- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-Executive Director : 0%, Non Executive Independent Directors: 4.55%, Chief Financial Officer: 9.00% and Due to the change in position of Company Secretary during mid year, the Company Secretary was not eligible for increment;
- The percentage increase in the median remuneration of employees in the financial year:-1.48%;
- 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 8.8% 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 employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 102 Lakhs are given in the Annexure-V forming part of this report;
- Salary details of an employee employed for a part of the financial year, was in receipt of remuneration for any part of that year which, in the aggregate, was not less than ₹ - 80.50 Lakhs per month are given in the Annexure-V forming part of this report;
- The Company affirms that the remuneration is as per the remuneration policy of the Company.

Managerial Remuneration details:

Particulars	Executive Director	Non- Executive & Independent Director	Non- Executive Director
All elements of remuneration package such as salary, benefits, stock options, pension etc. of all directors	Annual Gross Salary: Within the range between ₹ 13,800,000 to ₹ 27,600,000 per annum with annual increments effective 1st April each year as may be decided by the Board, based on merits and taking into account the Company's performance for the year. The benefits, perquisites and allowances will be determined by the Board of Directors from time to time.	The Remuneration is paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and such other applicable regulations, subject to a maximum amount of ₹ 1.80 million p.a. Remuneration will be paid in proportion to the term served in the Company, during the year.	Nil
Details of fixed component and performance linked incentives along with performance criteria	Annual Gross Salary: ₹ 13.80 million Annual Performance Bonus: ₹ 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 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		Nil
Service contract, notice period, severance fees	The tenure will be subject to termination by three (3) months prior notice in writing on either side, and all other terms are as per the Company policy.	Pursuant to the provisions of the Companies Act, 2013 and other relevant regulations	
Stock option details	NA	NA	NA

The details of remuneration paid/payable to Directors for FY 2017-18 are provided in the Corporate Governance Report.

36. 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') & 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 authorised for secondary market acquisition. During the year under review, ESOP Trust has bought about 412,547 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 disclosure in compliance with SEBI (Share Based Employee Benefits) Regulations 2014 are available on the website of the Company on https://eclerx.com/investor-relations/financials.

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

The Nomination and Remuneration Committee has approved the closure of ESOP 2005, ESOP 2008 and ESOP 2011 and there will not be any further 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.

37. 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.

38. 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.

39. SUCCESSION PLANNING

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

40. 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.

41. 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.

42. ACKNOWLEDGEMENT

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

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

Place: Mumbai
Date: May 23, 2018

Pradeep Kapoor
Chairman

ANNEXURE I

Form AOC -1

Statement pursuant to Section 129(3) of the Companies Act, 2013 and the rules made thereunder, relating to subsidiary companies and associate companies for the Financial Year ended on March 31, 2018

Part A : Subsidiaries

Name of Subsidiary	Reporting Financial Period ended	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate as on March 31, 2018	Issued and Subscribed share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment other than investment in subsidiaries	Turnover	Profit /(Loss) before Tax	Provision for Tax	Profit after tax	Proposed Dividend	Holding Company's interest(in equity shares)	Shares held by the Holding Company in the subsidiary
eClerx Limited (UK)	31-Mar-18	April 1, 2007	GBP	91.2655	34.89	155.63	281.66	91.14	-	490.47	22.05	3.76	18.29	-	100%	100
eClerx LLC (USA)	31-Mar-18	April 1, 2007	USD	65.1366	101.24	654.55	1045.06	289.26	-	2,155.84	91.03	32.36	58.67	-	100%	100
eClerx Private Limited (Singapore)	31-Mar-18	December 29, 2009	SGD	49.6817	4.89	60.08	98.89	33.93	-	219.17	29.57	1.87	27.70	-	100%	1
eClerx Canada Limited	31-Mar-18	September 23, 2016	CAD	50.5082	2.53	(3.77)	2.60	3.84	-	2.68	(3.78)	-	(3.78)	-	100%	50,000
eClerx Investments (UK) Limited	31-Mar-18	March 14, 2015	INR	-	1808.64	26.07	1,837.31	2.60	-	-	88.47	3.07	85.40	-	100%	186,86,112
CLX Europe S.P.A (Italy)	31-Mar-18	April 22, 2015	EUR	80.2777	1871.42	(409.41)	2649.98	1,187.97	-	1402.30	11.71	(29.94)	(18.23)	-	100%	35,885,448
Sintetic S.R.L. (Italy)	31-Mar-18	April 22, 2015	EUR	80.2777	0.80	1.15	18.43	16.48	-	41.92	0.38	(1.03)	(0.66)	-	100%	10,000
CLX Europe Media Solution GmbH (Germany)	31-Mar-18	April 22, 2015	EUR	80.2777	41.05	162.39	226.38	22.94	-	165.14	24.69	(8.64)	16.05	-	100%	5,11,292
CLX Europe Media Solution Limited (UK)	31-Mar-18	April 22, 2015	GBP	91.2655	0.01	80.26	169.33	89.06	-	344.10	(0.82)	(0.03)	(0.86)	-	100%	2

Part B : Associate Companies

	Part B : Associate Companies	
	Name of Associate	CLX Thai Company Limited (Thailand)
1.	Latest audited Balance Sheet Date	March 31, 2018
2.	Date on which the Associate or Joint Venture was associated or acquired	April 22, 2015
3.	Shares of Associate held by the company on the year end	
	No. of Shares	2,940
	Amount of Investment in Associate	2,940,000
	Extend of Holding %	49%
4.	Description of how there is significant influence	Parent controls voting power
5.	Reason why the associate is not consolidated	It is 100% consolidated as per accounting standard since CLX controls voting power and minority interest is shown separately
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	9.47
7.	Profit/ Loss for the year	0.35
	i. Considered in consolidation	0.35
	ii. Not considered in consolidation	-

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

Pradeep Kapoor Chairman	**PD Mundhra** Executive Director	**Anjan Malik** Director	**Biren Gabhawala** Director
	Rohitash Gupta Chief Financial Officer		**Pratik Bhanushali** Company Secretary

ANNEXURE II

From No. MGT-9
Extract of Annual Return

As on the financial year ended on March 31, 2018

[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 St, Fort, Mumbai – 400023, Maharashtra, India. Ph. No.: +91 (22) 6614 8301 Fax No.: +91 (22) 6614 8655 Email ID: investor@eclerx.com Website: www.eClerx.com
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy 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 and address 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	100	
6.	CLX Europe S.P.A. (Italy)	Via dell'Artigianato, 8A 37135 Verona - Italy	NA		100	
7.	CLA Europe Media Solution GmbH (Germany)	Barmbeker Str.8, 22303 Hamburg - DE	NA		100	
8.	Sintetik S.R.L. (Italy)	Viale Toscana 13/B 20136 Milano - Italy	NA		100	
9.	CLX Europe Media Solution Limited (U.K.)	12-14 Berry Street London EC1V 0AU	NA		100	
10.	CLX Thai Co. Limited (Thailand)	Chaofa Rd, Palai Soi 2 44 Moo Chalong Sub-District Muang Phuket - TH	NA	Associate Company	49	Section 2(6)

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

i. CATEGORY-WISE SHARE HOLDING

Category of Shareholders		Number of Shares held at the beginning of the year i.e. April 01, 2017				Number of Shares held at the end of the year i.e. March 31, 2018				% 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	10,029,556	0	10,029,556	25.21	9,743,211	0	9,743,211	25.22	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)	**10,029,556**	**0**	**10,029,556**	**25.21**	**9,743,211**	**0**	**9,743,211**	**25.22**	**0.01**
2.	Foreign									
a.	NRI – Individuals	9,974,701	0	9,974,701	25.07	9,689,920	0	9,689,920	25.08	0.01
b.	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c.	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d.	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e.	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub – Total (A) (2)	**9,974,701**	**0**	**9,974,701**	**25.07**	**9,689,920**	**0**	**9,689,920**	**25.08**	**0.01**
	Total Shareholding of Promoter A = (A) (1) + (A) (2)	**20,004,257**	**0**	**20,004,257**	**50.28**	**19,433,131**	**0**	**19,433,131**	**50.31**	**0.03**
B.	Public Shareholding									
I.	Institutions									
a.	Mutual Funds/UTI	4,578,768	0	4,578,768	11.51	5,806,736	0	5,806,736	15.03	3.52
b.	Banks / Financial Institutions	123,816	0	123,816	0.31	6,655	0	6,655	0.02	(0.29)
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	12,224,362	0	12,224,362	30.73	9,607,617	0	9,607,617	24.87	(5.86)

Category of Shareholders		Number of Shares held at the beginning of the year i.e. April 01, 2017				Number of Shares held at the end of the year i.e. March 31, 2018				% 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)	**16,926,946**	**0**	**16,926,946**	**42.55**	**15,421,008**	**0**	**15,421,008**	**39.92**	**(2.63)**
	Non - Institutions									
a.	Bodies Corporate									
I.	Indian	556,079	0	556,079	1.40	885,337	0	885,337	2.29	0.89
II.	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b.	Individual									
I.	Individual shareholders holding nominal share capital upto ₹ 1 Lakh	1,519,200	66	1,519,266	3.82	1,993,050	23	1,993,073	5.16	1.34
II.	Individual shareholders holding nominal share capital in excess of ₹ Lakh	513,999	0	513,999	1.29	285,388	0	285,388	0.74	(0.55)
c.	Others									
I.	Non Resident Indians	84,963	0	84,963	0.21	77,930	0	77,930	0.2	(0.01)
II.	Clearing Members	33,731	0	33,731	0.08	35,799	0	35,799	0.09	0.01
III.	Trusts	43,50	0	4,350	0.01	7,808	0	7,808	0.02	0.01
IV.	Qualified Foreign Investors	0	0	0	0.00	0	0	0	0.00	0.00
V.	NBFC	856	0	856	0.00	545	0	545	0.00	0.00
VI.	NRI – Non Repatriation	64,611	0	64,611	0.16	32,925	0	32,925	0.09	-0.08
VII.	ESOP Trust	75,113	0	75,113	0.19	455,776	0	455,776	1.18	0.99
VIII.	IEPF	0	0	0	0.00	362	0	362	0.00	0.00
Sub-total (B)(2):-		**2,852,902**	**66**	**2,852,968**	**7.17**	**3,774,920**	**23**	**3,774,943**	**9.77**	**2.60**
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**19,779,848**	**66**	**19,779,914**	**49.72**	**19,195,928**	**23**	**19,195,951**	**49.69**	**(0.03)**
Total (A+B)		**39,784,105**	**66**	**39,784,171**	**100.00**	**38629,059**	**23**	**38,629,082**	**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)	**39,784,105**	**66**	**39,784,171**	**100.00**	**38,629,059**	**23**	**38,629,082**	**100.00**	**0.00**

ii. SHAREHOLDING OF PROMOTERS

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year i.e. April 01, 2017			Share holding at the end of the year i.e. March 31, 2018			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Anjan Malik	9,974,701	25.07	0.00	9,689,920	25.08	0.00	0.01
2.	PD Mundhra	9,968,997	25.06	0.00	9,684,379	25.07	0.00	0.01
3.	V.K. Mundhra	41,977	0.11	0.00	40,779	0.11	0.00	0.00
4.	Supriya Modi	18,282	0.05	0.00	17,761	0.05	0.00	0.00
5.	Shweta Mundhra	300	0.00	0.00	292	0.00	0.00	0.00
	Total	**20,004,257**	**50.28**	**0.00**	**19,433,131**	**50.31**	**0.00**	**0.03**

iii. CHANGES IN PROMOTERS SHAREHOLDING

Sr. No.	Particulars	Shareholding at the beginning of the year i.e. April 1, 2017		Increase/ Decrease	Cumulative Shareholding at the end of the year i.e. March 31, 2018	
		No. of shares	% of total shares of the Company	No. of Shares	No. of shares	% of total shares of the Company
a)	Anjan Malik	9,974,701	25.07	-	-	-
	Buyback of shares on 13/03/2018	-	-	(284,781)	96,89,920	25.08
b)	PD Mundhra	9,968,997	25.06	-	-	-
	Buyback of shares on 13/03/2018	-	-	(2,84,618)	96,84,379	25.07
c)	V.K. Mundhra	41,977	0.11	-	-	-
	Buyback of shares on 13/03/2018	-	-	(1,198)	40,779	0.11
d)	Supriya Modi	18,282	0.05	-	-	-
	Buyback of shares on 13/03/2018	-	-	(521)	17,761	0.05
e)	Shweta Mundhra	300	0.00	-	300	0.00
	Buyback of shares on 13/03/2018	-	-	(8)	292	0.00

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

Sr. No.	Name	Shareholding at the beginning of the year i.e. April 1, 2017		Cumulative Shareholding at the end of the year i.e. March 31, 2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Matthews India Fund				
	At the beginning of the year	2,701,931	6.79	2,701,931	6.79
	Bought during the year	-	-	2,701,931	6.79
	Sold during the year	40,000	0.10	2,661,931	6.69
	At the end of the year	2,661,931	6.89	2,661,931	6.89
2.	Fidelity Puritan Trust				
	At the beginning of the year	1,791,278	4.50	1,791,278	4.50
	Bought during the year	-	-	1,791,278	4.50
	Sold during the year	106,670	0.27	1,684,608	4.23
	At the end of the year	1,684,608	4.36	1,684,608	4.36
3.	Pinebridge Investments GF Mauritius Limited				
	At the beginning of the year	1,162,087	2.92	1,162,087	2.92
	Bought during the year	-	-	1,162,087	2.92
	Sold during the year	49,740	0.12	1,112,347	2.80
	At the end of the year	1,112,347	2.88	1,112,347	2.88
4.	Fiam Group Trust for Employee Benefit Plans – Fiam				
	At the beginning of the year	873,564	2.20	873,564	2.20
	Bought during the year	-	-	873,564	2.20
	Sold during the year	740,689	1.86	132,875	0.33
	At the end of the year	132,875	0.34	132,875	0.34
5.	SBI Magnum Balanced Fund				
	At the beginning of the year	871,433	2.19	871,433	2.19
	Bought during the year	940866	2.36	1,812,299	4.56
	Sold during the year	59076	0.15	1,753,223	4.41
	At the end of the year	1,753,223	4.54	1,753,223	4.54
6.	HDFC Trustee Company Limited				
	At the beginning of the year	689,129	1.73	689,129	1.73
	Bought during the year	-	-	689,129	1.73
	Sold during the year	689,129	1.73	-	-
	At the end of the year	-	-	-	-
7.	Steadview Capital Mauritius Limited				
	At the beginning of the year	618,744	1.56	618,744	1.56
	Bought during the year	-	-	618,744	1.56
	Sold during the year	618,744	1.56	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name	Shareholding at the beginning of the year i.e. April 1, 2017		Cumulative Shareholding at the end of the year i.e. March 31, 2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	UTI Equity Fund				
	At the beginning of the year	609,793	1.53	609,793	1.53
	Bought during the year	199,653	0.50	809,446	2.03
	Sold during the year	30,307	0.08	779,139	1.96
	At the end of the year	779,139	2.02	779,139	2.02
9.	Franklin Templeton Mutual Fund				
	At the beginning of the year	583,422	1.47	583,422	1.47
	Bought during the year	98,120	0.25	681,542	1.71
	Sold during the year	681,542	1.71	-	-
	At the end of the year	-	-	-	-
10.	Franklin India Smaller Companies Fund				
	At the beginning of the year	565,897	1.42	565,897	1.42
	Bought during the year	778,757	1.96	1,340,654	3.37
	Sold during the year	42,705	0.10	1,301,949	3.27
	At the end of the year	1,301,949	3.37	1,301,949	3.37
11.	Stichting Depositary Apg Emerging Markets Equity				
	At the beginning of the year	359,709	0.90	359,709	0.90
	Bought during the year	140,857	0.35	500,566	1.25
	Sold during the year	21,425	0.05	479,141	1.20
	At the end of the year	479,141	1.24	479,141	1.24
12.	Barclays Wealth Trustees India Pvt Ltd				
	At the beginning of the year	75,113	0.19	75,113	0.19
	Bought during the year	380,663	0.99	455,776	1.18
	Sold during the year	-	-	-	-
	At the end of the year	455,776	1.18	455,776	1.18
13.	Malabar India Fund Limited				
	At the beginning of the year	339,695	0.85	339,695	0.85
	Bought during the year	160,830	0.40	500,525	1.26
	Sold during the year	50,139	0.13	450,386	1.13
	At the end of the year	450,386	1.17	450,386	1.17
14.	HDFC Trustee Company Limited - HDFC Tax Saver Fund				
	At the beginning of the year	-	-	-	-
	Bought during the year	470,000	1.18	470,000	1.18
	Sold during the year	20,116	0.03	449,884	1.13
	At the end of the year	449,884	1.16	449,884	1.16

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

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Details of each of the Directors and KMP including Benpos Date	Shareholding at the beginning of the year i.e. April 01, 2017		Cumulative Shareholding at the End of the year i.e. March 31, 2018	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	PD Mundhra – Executive Director	9,968,997	25.06	-	-
	Buyback of shares on 13/03/2018	(2,84,618)	0.01	96,84,379	25.07
2.	Anjan Malik – Non Executive Director	9,974,701	25.07	-	-
	Buyback of shares on 13/03/2018	(284,781)	0.01	96,89,920	25.08
3.	Pradeep Kapoor – Chairman & Non Executive Director	7,563	0.02	-	-
	Buyback of shares on 13/03/2018	(227)	(0.00)	7,336	0.02
4.	Anish Ghoshal – Non Executive Independent Director	2	0.00	2	0.00
5.	Biren Gabhawala – Non Executive Independent Director	6,414	0.02	-	-
	Buyback of shares on 13/03/2018	(183)	(0.00)	6,231	0.02
6.	Alok Goyal – Non Executive Independent Director	-	-	-	-
7.	Deepa Kapoor – Non Executive Independent Director	-	-	-	-
8.	Shailesh Kekre – Non Executive Independent Director	-	-	-	-
9.	Rohitash Gupta – Chief Financial Officer (KMP)	0	0.00	-	-
	Allotment of ESOP shares on 17/04/2017	7,555	0.00	-	-
	Buyback of shares on 13/03/2018	(215)	(0.00)	7,232	0.00
10.	Pratik Bhanushali – Company Secretary and Compliance Officer (KMP)	-	-	-	-

Notes:

1. Mr. V.K. Mundhra ceased to be the Director of the Company w.e.f. November 01, 2017 and his shareholding as on April 01, 2017 was 41,977 shares. As on November 01, 2017, there was no change reported to the Company.

2. Mr. Vikram Limaye ceased to be the Director of the Company w.e.f. June 10, 2017 and he did not hold any Shares of the Company during the financial year 2017-18.

3. Mr. Gaurav Tongia ceased to be the Company Secretary and Compliance Officer of the Company w.e.f. November 17, 2017 and his shareholding as on April 01, 2017 was 549 shares. As on November 17, 2017, his shareholding was 27 Shares as reported to the Company.

4. Mr. Pratik Bhanushali has been appointed as a Company Secretary and Compliance Officer of the Company w.e.f. January 30, 2018 and his shareholding was NIL as on January 30, 2018 and March 31, 2018 as well.

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

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

VI. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND / OR MANAGER FOR THE FY 2017-18

(Rupees in Million)

Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and / or Manager	Total Amount
		PD Mundhra	
1.	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.15	24.15
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	a. as % of profit	-	-
	b. Others – Annual Performance Bonus	-	-
5.	Others, please specify	-	-
	Total (A)	24.15	24.15
	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
1.	Gross Salary								
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-
2.	Stock Option (gain upon exercise of stock option)	-	-	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-	-	-
4.	Commission								
	a. as % of profit	1.73	1.73	0.34	1.73	1.73	1.73	1.73	10.72
	b. Others specify	-	-	-	-	-	-	-	-
5.	Others – Sitting Fees	0.14	0.12	0.02	0.16	0.08	0.14	0.10	0.76
	Total	**1.87**	**1.85**	**0.36**	**1.89**	**1.81**	**1.87**	**1.83**	**11.48**

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*	Company Secretary Pratik Bhanushali*	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.07	2.13	0.57	19.77
	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)	4.98	-	-	4.98
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	a. as % of profit	-	-	-	-
	b. Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**22.05**	**2.13**	**0.57**	**24.75**

*Mr. Gaurav Tongia ceased to be the Company Secretary and Compliance Officer of the Company w.e.f. November 17, 2017 and Mr. Pratik Bhanushali has been appointed as a Company Secretary and Compliance Officer of the Company w.e.f. January 30, 2018.

IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type		Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A.	**Company**					
	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 31st MARCH 2018

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, 2018, 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, 2018 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 for the period from 1st April 2017 to 30th September, 2017 and Revised Secretarial Standards for the period from 1st October, 2017 to 31st March, 2018;

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. On 30th May, 2017, the Board recommended a Dividend of ₹ 1.00/- (Rupee One Only) per equity share of ₹ 10/- each for the year 2016-17 and the same was approved in the Annual General Meeting held on August 22, 2017.

ii. The Nomination and remuneration committee at its meeting held on May 30, 2017 approved grant of options to the employees of the Company and its subsidiaries under the ESOP scheme 2015 totaling 382,663 options at an exercise price of ₹ 1,294/- per option

iii. The Board of Directors at its meeting held on December 22, 2017 accorded its consent for conducting a postal ballot to seek shareholders' approval for buyback at a price not exceeding ₹ 2,000/- (Rupees Two Thousand Only) ("maximum buy back price") per Equity share payable in cash for the total consideration not exceeding ₹ 2,580/- million (Rupees Two Thousand Five Hundred and Eighty 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 January 23, 2018 the Buy Back Committee fixed the final price at ₹ 2,000/- per share. The Buy Back offer opened on Thursday, February 22, 2018 and closed on Thursday, March 8, 2018. 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 March 14, 2018 for the buy back. The same was published in the newspapers on March 15, 2018.

iv. During the year, the Company has allotted 134,911 under ESOP 2011 scheme to the eligible employees of the Company.

v. Pursuant to section 124 of the Companies Act, 2013 and the rules made there under and any other applicable provisions, the unclaimed dividend of ₹ 175,590/- being Unclaimed Dividend(s) for the financial year(s) 2009-10, 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 23, 2018

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 23, 2018

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 ₹ 2.6 million.

b. Energy Efficient UPS selection: Energy efficient UPS systems gives 96% to 99% power efficiency at all times due to advance power saving technology, as against a normal UPS systems which generally gives 80-85% efficiency. The estimated cost for the same was about INR. 1.2 million.

c. 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 ₹ 1.2 million.

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

e. Installation of Auto power factor correction (APFC) panels result in quality power and reduction in power consumption. This Results in 7% rebate in Energy cost in monthly energy bills

II. Technology Absorption

The efforts made towards technology absorption:

Technology forms a key part of the delivery that the company does across any client or service line. The company has invested in a large Software team that works closely with our clients and operations team to automate as many steps/ sub-steps in the processes that we run for our clients. This Software team has developed a mature platform for robotics process automation called Roboworx which helps with automations of all repetitive steps in the processes that we execute for our clients. The team is now 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)

	2017-18	2016-17
Total Foreign Exchange Earnings	10,492.98	11,257.19
Foreign Exchange Used	2,283.10	1,667.62

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 23, 2018

Pradeep Kapoor
Chairman

ANNEXURE V

Salary details of Top Ten employee(s) and those who were employed during the Financial Year 2017-18 and who were in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 102 Lakhs p.a. / ₹ 8.50 Lakhs p.m.

Name of Employee(s)	Designation	Remuneration Received (including ESOP gain & cost based bonus, if any) (₹ in Lakhs)	Nature of Employement	Qualification	Total Experience	Date of Commencement of Employment	Age	The last employment held by such employee before joing 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
Rohitash Gupta	CFO	220.53	Permanent	M.B.A	21	4-Nov-03	44	SISL	0.03%	N.A.
Hoshi Mistry	Principal	172.64	Permanent	M.Tech	18	8-Apr-02	46	Emageware	0.07%	
Sandeep Dembi	Principal	155.49	Permanent	B.E., M.B.A	19	23-Nov-09	45	WNS Global Services	0.06%	
Sanjay Kukreja	Principal	153.31	Permanent	B.Tech, M.B.A	21	5-Sep-11	45	Accenture	0.03%	
Amit Bakshi	Principal	146.24	Permanent	B.Tech, M.B.A	29	24-Nov-11	60	Tech Mahindra Ltd	0.01%	
Subhodip Basu	Associate Principal	135.76	Permanent	B.Sc, M.A., P.G.D.M	18	16-Mar-09	43	HP India Sales Pvt. Ltd.	0.01%	
Jagjit Singh	Associate Principal	134.75	Permanent	B.E	19	19-Jul-10	42	HP	0.01%	
Srinivasan Nadadhur	Associate Principal	117.13	Permanent	B.E, P.G.D.M	19	1-Dec-09	44	iNautix Technologies	0.05%	
Prashant Chaddah	Associate Principal	121.08	Permanent	B.Tech, M.B.A	15	13-Aug-08	39	Motilal oswal	0.00%	
Devidas Iyer	Associate Principal	101.94	Permanent	B.Com, P.G.D.M	41	16-Apr-12	65	TCS	0.02%	

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 (Provide details of major 5)	
	b. Number of National Locations	
10	Markets served by the Company – Local / State /National / International	International and National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Rupees in Million)

S. No.	Particulars	2017-18	2016-17
1	Paid up capital (₹)	386.29	397.84
2	Total turnover (₹)	11,878.48	11,905.01
3	Total profit after taxes (₹)	2,781.19	3,311.48
4	Total spending on corporate social responsibility (CSR) as percentage of profit after tax (%)	2.00	2.00
5	List of activities in which expenditure in 4 above has been incurred:-		
a.	Child area	47.90	57.09
b.	Drought relief	-	7.64
c.	Skill development	23.21	-

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/ies

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

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

(a) Details of compliance (Reply in 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	N.A.	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	N.A.	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 in the table below								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Wherever applicable, policy has been formally communicated to all relevant internal and external stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

No.	Name of the Policy(ies)	Website Link
P1	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2018/06/WhistleBlowerPolicy.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2018/06/CodeOfConduct.pdf
	Policy for determining material events or information and its disclosures	https://eclerx.com/wp-content/uploads/2018/06/PolicyOnDisclosureOfMaterialEvents.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P2	Information Security Policy	Available on the Intranet
P3	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2018/06/WhistleBlowerPolicy.pdf
	Environment, Health & Safety Manual HR Policies	Available on the Intranet
P4	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2018/06/WhistleBlowerPolicy.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2018/06/CodeOfConduct.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P5	Environment, Health & Safety Manual	Available in the Intranet
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2018/06/CodeOfConduct.pdf
P6	Environment, Health & Safety Manual	Available in the Intranet
P7	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2018/06/WhistleBlowerPolicy.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2018/06/CodeOfConduct.pdf
	Corporate Social Responsibility Policy	https://eclerx.com/wp-content/uploads/2018/06/CSRPolicy.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P8	HR Employee Handbook	Available in the Intranet
	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2018/06/WhistleBlowerPolicy.pdf
	Code of Conduct for Board of Directors	https://eclerx.com/wp-content/uploads/2018/06/CodeOfConduct.pdf
	Corporate Social Responsibility Policy	https://eclerx.com/wp-content/uploads/2018/06/CSRPolicy.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2018/06/AntiBriberyAntiCorruptionPolicy.pdf
P9	Information Security Policies and Data Privacy policies	Available 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	The Board of Directors reviews the BR performance through the Business Responsibility Report annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BR Report is being published annually as a part of the Annual report and available on the website www.eclerx.com .

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

S. No.	Particulars	
1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	• The Code of Conduct is applicable to our Board of Directors and employees of the Company including employees of subsidiaries and associate companies. The scope of the Code extended to such persons as Board of Directors may deem fit. • The Code of Conduct, Whistle Blower Policy, Vigil Mechanism and Anti-Bribery Anti-Corruption Policy covers and extends to subsidiaries, Vendors, Suppliers, Contractors, NGOs and Others.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	• The Company in ordinary course of business, received notices from Tax Authorities, which are disclosed in the Notes to Financial statements. • As on March 31, 2018, no complaint is pending against the Company by any stakeholder viz. clients, employees, investors, Vendors, alliance partners, government/regulatory/local authorities. The Company received nine complaint under the Sexual harassment, which was accordingly attended to and closed as on March 31, 2018, details of which is available in principle 3 below.

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 minimise the Client representatives' visit of truck loads to customers' place hence saving in terms of carbon emission and fuel.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	• Since, the Company operates in ITES, 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.	• The Company uses GPS enabled mobile app technology, to optimise the route for employee transportation vehicles. • The Company has taken initiatives to move from conventional lighting to LED which is more energy efficient. • Similar process is followed in UPS Room as well, in order to enhance energy efficiency. • Thin-Clients used across facilities help in achieving energy efficiency. • Managed Print Services with the help of Access Card helps in reducing paper wastage/ink etc.
4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	• The House-keeping/ Security are locally sourced in all facilities. • Vendor Invoice Management System has been launched for vendors. The said process helps in digitising small vendors wherein they can submit the invoices from their offices. Regular training is also provided to these Vendors.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	The Environment, Health and Safety Policy guides Company's efforts on optimum and responsible use of resources, recycling, reuse.

Principle 3: Businesses should promote the wellbeing of all employees

<table>
<tr><th>S. No.</th><th colspan="4">Particulars</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 9,200.</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 2,800</td></tr>
<tr><td>4</td><td>Please indicate the Number of permanent employees with disabilities</td><td colspan="3">20</td></tr>
<tr><td>5</td><td>Do you have an employee association that is recognised 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 recognised employee association?</td><td colspan="3">Company does not have an employee association, hence not applicable</td></tr>
<tr><td rowspan="4">7</td><td rowspan="4">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>Category</td><td>No. of complaints filed during the financial year</td><td>No. of complaints pending as on end of the financial year</td></tr>
<tr><td>Child labour/forced labour/ involuntary labour</td><td>0</td><td>0</td></tr>
<tr><td>Sexual harassment</td><td>9*</td><td>0</td></tr>
<tr><td>Discriminatory employment</td><td>0</td><td>0</td></tr>
<tr><td></td><td colspan="4">*Note: Total 9 cases of Sexual harassment were reported during the financial year 2017-2018. All cases have been satisfactorily addressed within the defined timelines. Out of 9 cases, 2 cases were unsubstantiated, in 1 case the respondent was found to be guilty and appropriate action was taken and 6 cases were resolved through conciliation.</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 our employees irrespective of race, gender or physical disability.
• During the year under review, 44.56% of the employees participated in safety training and evacuation drills.
• For details on initiatives on skill upgradation, refer elaborated 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 marginalised

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 & marginalised stakeholders?	
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised 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. 344 vendors, 257 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?	• The Company has implemented policies that cover various aspects of human rights specific to its employees as well as redressal mechanism and has included such policies' references for adherence in its agreement with vendors/suppliers/ contractors.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No such complaints received

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

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	• The 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 to dry hands than paper towels. In addition, replacing paper towels with a hand dryer reduces solid waste going to landfills, which reduces disposal and maintenance costs. Installation of these hand dryers has helped cut down on the usage of paper towels, an initiative to go green. • Further, installation of auto sensor taps has helped achieve water conservation when compared with manual activated taps. A lot of water is wasted while turning the tap on and off manually and by installation of auto sensor taps, Company has curtailed this wastage, saving precious water. • With regards to Vehicle used, the Company undertakes route optimization and utilization checks vis-à-vis capacity with 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.
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 ₹ and the details of the projects undertaken?	The total CSR spend for FY 2017-18 was ₹ 71.11 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

Notwithstanding global headwinds and uncertainties, NASSCOM (National Association of Software and Services Companies) has projected a growth rate of 7% to 9% for the Indian IT and BPO industry in 2018-19 as against 7.8% in 2017-18. The industry is expecting to add one lakh jobs this financial year. The overall IT-BPO industry size would be adding $14-16 billion. The domestic industry is expected to grow by 10 to 12%, with contribution from this sector growing to $28-29 billion in 2018-19 from $26 billion in the current financial year.

II. BUSINESS PERFORMANCE

Financial Markets

Revenues grew in FY 2017-18 and much of the growth came from emerging business lines and emerging clients. The addition of Two Four Consulting, a strategic and tactical consulting partner for banks, brokerages, hedge funds and asset managers helped in this endeavor. The core client accounts stabilised overall and a few experienced strong sequential growth. Much of this growth can be attributed to our investments in technology and people. eClerx has over the past year hired banking professionals with strong domain knowledge and industry experience in client geographies. On the Technology front, similar to the use of Robotics in FY 2016-17, FY 2017-18 was an exciting year for real-life projects on machine learning.

Digital

The Digital Services (DS) division continued its focus on growing emerging clients into strategic clients. Services such as eCommerce Photography and CGI (Computer Generated Imagery) did very well with Retail and Fashion industry clients. Digital also saw increased take up in advanced analytics, A/B testing and campaign management. All of this growth was underpinned by increased use of technology and robotic process automation (RPA) which is now a standard in our solution stack.

The division invested heavily to increase its onshore consulting practice across the US, UK and Singapore as client requirements and solution complexity increases. The consulting practice is largely Analytics focused but also seeing increased placements for creative and campaign management consulting.

Customer Operations

In FY 2017-18, the Customer Operations business witnessed churn due to changes in client environment. Significant strides were made in improving efficiency through implementation of technology led solutions. The client value proposition was strengthened by leveraging emerging technologies and investment in Artificial Intelligence (AI) and Robotic Process Automation (RPA). Internally, eClerx deployed Chatbots to support training within Customer Operations. The onshore delivery center in United States went live in FY 2017-18. After initial investments in set up and training, the center is now engaged in client funded onshore work. Customer Operations also expanded geographically in Canada. The continued focus on growing customer base and exploring new solutions has resulted in a growing and more diversified client base.

Research and Development Centre

eClerx Research and Development Centre is located in Mumbai, India. The Centre is comprised of a state of the art working lab and includes innovative technologies that help accelerate the design and development of our numerous, cutting-edge solutions.

The Centre has capabilities to:

- Develop products and platforms that cater to next generation market needs driven by changing global trends in the financial services, cable and telecommunications, retail, fashion, media & entertainment, manufacturing, travel and leisure, software and high-tech industries
- Create intellectual properties around products and platforms by leveraging technologies machine learning, mobility, analytics, and big data
- Pioneer unique approaches that accelerate innovations in emerging technologies and enhance products and skills to deliver exceptional customer value

The frameworks and solutions developed at eClerx's Research & Development Center help to make global operational systems more effective, nimble, and reliable. Simultaneously, the resulting capabilities and IT and IT-related infrastructure development help to create differentiated services, scale up businesses, drive progress, and operate at significantly reduced cost

Key Products launched:

1. Roboworx

This comprehensive Robotic Process Automation platform offers improved business efficiency and effectiveness by replacing high volumes of repetitive and rule-driven tasks, allowing firms to save costs and focus on strategic, value-add activities. The ability to standardise business processes, build automation that can be leveraged across your organization, and drive improved control due to reduced human error are some of the benefits of this platform.

Roboworx is built to seamlessly integrate with existing applications for minimal business disruption.

2. DocIntel

DocIntel transforms complex documents into comprehensive data models which can be utilised to run analytics and feed downstream systems. The solution uses Optical Character Recognition and pattern matching based automated extraction algorithms to capture all the variables within the document. Each document is then converted to a machine-readable format to enable text searching data analytics and ensures that users are kept well informed of any changes to their itinerary regardless of their location or the type of device they use.

3. Billing Manager

eClerx's Billing Manager solution resolves your brokerage management challenges by providing robust support across the entire billing lifecycle. Utilising machine learning and advanced matching algorithms to automate intake of incoming invoices to reconciling with accruals, our holistic approach empowers firms to streamline and standardize invoices.

4. Loans Manager

The Loans Manager platform helps financial organisations reduce the time between loan origination, deal building and amendments, by offering subject matter expertise, automation, document extraction as well as data capture tools. The digitisation process uses Optical Character Recognition, Natural Language Processing, pattern recognition and table reading to capture the attributes from the document.

5. Compliance Manager

The Compliance Manager Solution automates the onboarding of customers, the refreshes of their information as well as the remediation process. This workflow helps financial institutions and corporations perform due diligence accurately and securely, while increasing transparency and reducing cost. Through the use of Robotic Process Automation, Machine Learning based data capture, Semantic Analysis and Natural Language Processing, the platform automates sourcing and review of data.

6. Confirmation Lifecycle Manager

Confirmation Lifecycle Manager provides an end-to-end workflow tool for OTC Trade confirmations offering features such as Drafting, Indexing, Incoming Review, Affirmation and Reconciliation. This centralized solution incorporates Optical Character Recognition, Machine Learning based automated capture, Robotic Process Automation as well as a Reconciliation Engine to reduce the manual effort involved in managing this process.

7. eCube

eCube provides a centralised system through which all the business lines can scrape data from specified websites. This technology enables the creation of a robust data lake utilizing the information collected, to carry out tasks such as competitor analysis. The platform navigates through online stores and uses various pattern matching techniques to extract relevant data. Given the volume of data that is required to be extracted, this solution relies on a high scale IT infrastructure to optimally run hundreds of processing threads.

8. Fleet Star

Fleet Star is a complete travel management solution aimed at helping corporations, transport administrators, employees, and vendors address the challenges associated with employee transport management. The solution is built leveraging cutting-edge technologies such as mobility, IOT, and data analytics and ensures that users are kept well informed of any changes to their itinerary regardless of their location or the type of device they use.

9. eVigilPro

eVigilPro is a Big Data Security analytics application built using open source and big data technologies. The application is capable of handling and processing Petabytes of log data to detect network anomalies and alert security teams on critical security events generated across diverse infrastructure devices.

In 2017-18 , we have been able to successfully industrialise our Research and Development in Artificial Intelligence. We have improved our capabilities in Competitive Intelligence through more exhaustive utilisation of unstructured competitor data, significantly reduced operating costs in customer data review processes for Financial Markets and applied chatbot technology to various customer support functions - from training to customer interactions.

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. At the end of March 2018, the Company's India facilities had a total capacity of just under 9000 seats and the centers are functioning at approximately 82% capacity. The capacity saw a minor reduction over the previous year as we had to make changes to accommodate growth from some of our Financial Markets clients.

The acquisition of CLX has added delivery centers in Italy and Thailand. CLX has an employee headcount of more than 300 employees.

The Company also made progress on enhancing global capabilities by setting up of an organic onshore delivery center in the US with a capacity of around 70 seats. This will help eClerx address client needs, which cannot be met from offshore. At the end of FY 2017-18, the centre is functioning at 50% capacity. We expect the facility to be fully utilized in the next fiscal and we will evaluate further expansion of the facility.

eClerx also has sales offices across the US, Europe and Asia.

Harnessing Talent

In FY 2017-18, the learning function impacted all areas of company's operations by providing both industry-recognised and internally created proprietary learning and development opportunities for eClerx employees.

To acquire talent with niche skills in areas like digital analytics and business intelligence, the learning team launched a 'Skill-and-Hire' program this year. This new approach resulted in broad-basing the talent pool and providing us with a continuous supply of highly-skilled, ready-to-deploy professionals to meet our emerging business requirements in the Analytics and other niche domains.

To make our Customer Operations vertical's on-boarding process more relevant and resilient, scenario-based learning was introduced for the new hire training phase. The goal here, as with all our learning interventions, is to promote critical thinking and decision-making, thereby making our people client-ready from week one. Our scenario based learning solution resulted in the company winning at the TISS-LeapVault CLO Awards – in the category of 'Best Customer Service Training Program'.

The impact of the digital revolution, coupled with rapid adoption of machine learning and deep learning – caused wide-scale enterprise disruption and almost completely redefined customer expectations. We invested significantly in upskilling and reskilling our technology teams on critical areas such as digital, data science, security, and artificial intelligence.

Lastly, we invested in top of the line development programs for 500+ frontline managers so they may adopt a balanced approach to leadership and leverage tools like appreciative inquiry to delight our clients.

We remain deeply committed to nurture a culture of continuous learning that provides our people with varied opportunities to deepen their domain knowledge and technology skills through a broad range of classroom, online, and blended learning environments.

III OUTLOOK

The outlook for the client business environment remains largely similar to FY 2017-18. We expect higher growth in our onshore consulting work with setting up of a delivery center in Fayetteville and addition of Two Four Consulting in FY 2018-19. The consulting team will continue to grow disproportionately to the overall business to support more complex client needs. The use of technology and automation will continue to reshape existing client programs to be more efficient. For new service development, embedding technology will become the default model. Pricing models will continue to move away from traditional FTE pricing to value based pricing and more focused on client outcomes. There will be a strong focus on increasing share of wallet from existing clients to achieve growth targets for FY2018-19.

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 94% of its revenues during FY 2017-18 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 59% of its total revenues during FY 2017-18 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 82% of its revenues in US Dollars, 10% 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.
Personal data and Privacy Risk	There is increased sensitivity on the part of governments and regulators with respect to personal data and privacy. Failure to comply with current and/or new regulations could impact company's reputation and financial position.
Breach of data privacy and protection / Noncompliance to GDPR	Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Any violation or security breach, observed non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputational impact.

Mitigation Steps:

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

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of Internal Controls which is 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, 2018.

i. RESULTS OF OPERATIONS

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

(Rupees in Million)

Particulars	2017-18	2016-17
Revenue from operations	13,650.62	13,300.33
Other income (net)	402.31	282.00
Total Revenue	**14,052.93**	**13,582.33**
Operating expenses	9,987.48	8,705.79
EBITDA	**4,065.45**	**4,876.54**
Finance costs	0.40	0.25
Depreciation and goodwill amortisation	482.42	517.96
Profit before exceptional items and Taxes	**3,582.63**	**4,358.33**
Exceptional item-gain/(loss)	**212.59**	-
Taxes	895.80	819.03
Minority interest	(0.42)	(0.97)
Net Profit attributable to shareholders	**2,899.84**	**3,540.27**

a. Income

Income from operations

Income from operations increased to ₹ 13,650.62 million in the year under review from ₹ 13,300.33 million in the previous year registering a growth of 2.63%. This also includes income on account of export incentive under Service Exports from India Scheme (the "Scheme" / "SEIS") of ₹ 107.17 million accounted during the year.

Other income:

Other income primarily comprises of foreign exchange gains / (loss), interest on bank deposits and dividend from debt oriented mutual funds. The total other income increased to ₹ 402.31 million in the year under review from ₹ 282.00 million in the previous year.

There was Foreign exchange gain of ₹ 59.75 million due to revaluation and realisation of foreign currency denominated assets and liabilities in the year under review (regrouped under Other Income) from loss of ₹ 90.89 million in the previous year (included under Other expenditure).

Income from investments increased to ₹ 292.44 million in the year under review from ₹ 259.18 million in the previous year, primarily due to higher investible surplus available.

b. Expenditure

Operating expenses comprises of employee costs, software product development cost and other general and administrative expenses. The total operating expenses increased to ₹ 9,987.48 million in the year under review from ₹ 8,705.79 million in the previous year.

Employee costs increased to ₹ 6,924.56 million in the year under review from ₹ 5,935.06 million in the previous year, primarily due to annual increment, head count increase in onshore delivery centre in USA and increase in other employee benefits.

Other expense increased to ₹ 3,062.92 million in the year under review from ₹ 2,770.73 million in the previous year. The increase was primarily due to:

- Increase in cost of technical sub-contractors by ₹ 160.73 million in overseas subsidiaries on account of onshore project.

- Gain in Foreign exchange (net) is ₹ 59.75 million in the year under review grouped under 'Other income', in previous year loss in Foreign exchange (net) was ₹ 90.89 million grouped under 'Other expense'.
- Increase in rent by ₹ 38.01 million primarily due to new onshore delivery centre added in USA.
- Increase in AMC & consumables and office expenses by ₹ 46.70 million primarily due to AMC renewal and maintenance cost and increase in general office expenses.
- Increase in legal and professional expenses by ₹ 13.60 million due to increase in other professional services availed.
- Increase in provision for bad debts / written off cost by ₹ 22.08 million.
- Increase in travel expenses by ₹ 121.71 million due to increase in number of travel trips to onshore client locations.

c. Depreciation and Amortisation

Depreciation and amortisation charge has decreased to ₹ 482.42 million in the year under review from ₹ 517.96 million, due to lower capital asset addition during year under review.

d. Exceptional Item

During the year ended March 31, 2018, the Company has received duty credit scrips under Service Exports from India Scheme (the "Scheme" / "SEIS") for the financial year 2015-16. The duty credit scrips have been granted against export of services under defined category as per the Scheme. The Company has realised ₹ 121.85 million net of expenses, from the sale of duty credit scrips. In addition, the Company has also accrued net income of ₹ 90.74 million for the financial year 2016-17 based on estimation of net realisable value.

e. Income Tax Expense

The Company's consolidated tax expense (including deferred taxes) increased to ₹ 895.80 million in the year under review from ₹ 819.03 million in the previous year which is largely due to complete utilisation of MAT credit in the previous year.

ii. FINANCIAL CONDITION

a. Share Capital

The Company has authorised capital of ₹ 500.10 million as on March 31, 2018. The issued, subscribed and paid up capital was ₹ 386.29 million of equity shares of ₹ 10 each in the year under review as compared to ₹ 397.10 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 decreased to ₹ 11,671.40 million in the year under review from ₹ 11,760.87 million in the previous year. Decrease in other equity is primarily from:

- Addition of retained earnings & other comprehensive income by ₹ 2,902.89 million in the year under review which includes foreign exchange translation gain of ₹ 299.19 million; cash flow hedge reserve reduction of ₹ 328.49 million and transfer from other comprehensive income of ₹ 3.05 million.
- Reduction on account of buy back of share ₹ 2,603.31 million in the year under review

c. Employee benefit obligations

Employee benefit obligations which include gratuity, leave encashment and other employee benefits is at ₹ 1,121.81 million in the year under review which has increased from ₹ 923.25 million in the previous year primarily due to increase in gratuity to ₹ 215.35 million (of this ₹ 174.35 million is non-current and ₹ 41.00 million is current) as compared to gratuity of ₹ 187.57 million for the previous year.

d. Trade Payables

Increase in trade payables to ₹ 204.70 million in the year under review from ₹ 128.60 million in the previous year primarily due to increase in creditors from subsidiaries.

e. Borrowings

Borrowings by subsidiaries have increase to ₹ 63.44 million in the year under review from ₹ 10.63 million in the previous year due to additional working capital loan by subsidiary in Italy.

f. Other financial liabilities

Includes unpaid dividend, unpaid fractional shares pay out, advance billing, accrued expenses and payable for capital expenditure have increased to ₹ 383.77 million in the year under review from ₹ 269.00 million primarily due to increase in accrued expense and increase in advance billing.

g. Fixed Assets

The Gross block of fixed assets as at March 31, 2018 was ₹ 4,881.99 million (of this ₹ 3,247.16 million is intangible asset). Whereas Gross block of fixed assets as at March 31, 2017 was ₹ 4,234.70 million (of this ₹ 2,842.35 million is intangible asset). During the year under review, additions to gross block (net off disposals) was ₹ 363.13 million and positive impact of translation exchange difference was ₹ 47.63 million

h. Investment

Investment represent non-current investment of ₹ 2.40 million as at March 31, 2018 which is same as per the last year.

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

The Company's treasury practices call for investing only in highly rated debt oriented mutual funds. Investment in mutual funds have reduced to ₹ 1,650.32 million during the year under review from ₹ 2,513.99 million in the previous year due to buy back of shares and more investment in bank fixed deposits.

i. Derivative instruments

The Company covers forex risk though hedging instrument as per the Board's approved policy.

Derivative instrument fair valuation is routed through other comprehensive income ("OCI"). As at March 31, 2018 derivative instrument fair valuation was at ₹ 249.24 million compared to ₹ 642.27 million as at March 31, 2017. Decrease is primarily due to rupee depreciation against hedged currency.

j. Other financial assets

Includes unbilled revenue, premises & other deposit, recoverable expense and other loans & advances. Other financial assets have increased as at March 31, 2018 to ₹ 1,382.22 million from ₹ 1,150.92 million as at March 31, 2017. Increase is primarily in unbilled revenue by ₹ 193.22 million and deposits by ₹24.17 million due to incremental premises on lease, increase in loans and advance by ₹ 23.62 million and corresponding reduction in recoverable expenses.

k. Other current and non-current assets

Includes capital advances, tax credits, service tax and GST credits, duty benefit credits, prepaid expense and other advances. Other current & non-current asset marginally increased to ₹ 649.62 million as at March 31, 2018 from ₹ 623.86 million as at March 31, 2017.

l. Trade Receivables

Debtors increased to ₹ 2,328.47 million as at March 31, 2018 from ₹ 2,138.30 million as at March 31, 2017 primarily on account of increase in Days Sales Outstanding ("DSO"). These debts are considered good and realisable and hence only small provision for doubtful debts has been made. The need for provision is assessed based on various factors, including collectability of specific dues, risk perceptions of the industry in which the customer operates and general economic factors that could affect the customer's ability to settle debts. The Company monitors trade receivables closely.

m. Cash and bank balances

The cash and bank balances increased to ₹ 4,402.67 million as at March 31, 2018 from ₹ 3,556.55 million as at March 31, 2017. Cash and bank balances mainly represent bank balances in current and fixed deposit accounts. These have increased due to increase in short term deposits placed with the banks.

n. Deferred Tax (net)

The Company has a net deferred tax liability of ₹ 31.01 million as at March 31, 2018 (net deferred tax liability ₹ 168.89 million as at March 31, 2017). Decrease in deferred tax liability is 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 flows, is summarised in the table below.

Summary of cash flow statement:

(Rupees in Million)

Particulars	2017-18	2016-17
Net cash generated by/ (used in)		
Operating activities	3,050.03	3,124.28
Investing activities	169.89	(1,695.33)
Financing activities	(3,035.09)	(2,452.92)
Effect of exchange fluctuation on cash and cash equivalents	93.20	(58.51)
Net increase in cash and cash equivalents	**278.03**	**(1,082.48)**

a. Cash flows from operating activities

(Rupees in Million)

Particulars	2017-18	2016-17
Profit before tax	3,795.22	4,358.33
Adjustments: depreciation and Amortisation	482.42	517.96
Other non-cash adjustments	64.57	2.35
Non operating income (net)	(301.49)	(259.18)
Effect of working capital changes	(26.88)	(468.45)
Cash generated from operations	**3,995.84**	**4,151.01**
Taxes paid	(945.81)	(1,026.73)
Net cash generated by operating activities	**3,050.03**	**3,124.28**

Cash generated from operations, post adjustments to profit before tax, has gone down from ₹ 3,124.28 million in previous year to ₹ 3,050.03 million in current year, registering a de growth of 2.38% over the previous year primarily due to decrease in working capital change by ₹ 441.57 million, decrease in profit by ₹ 563.11 million and higher non-operating income reduction from operating cash flow by ₹ 32.31 million and reduction in depreciation and amortization expense by ₹ 35.54 million.

b. Cash flows from investing activities

(Rupees in Million)

Particulars	2017-18	2016-17
Fixed asset (net)	(416.54)	(297.39)
Other investments (net)	297.29	(1,604.55)
Non operating income (net)	289.14	206.61
Net cash used in investing activities	**169.89**	**(1,695.33)**

c. Cash flows from financing activities

(Rupees in Million)

Particulars	2017-18	2016-17
Proceeds from equity issued	86.56	81.91
Buyback of equity shares	(2,603.31)	(2,354.55)
Finance Costs	(0.40)	(0.25)
Short term Bank Loan (repaid) / taken	52.81	(24.49)
Purchase of treasury shares	(522.89)	(106.39)
Dividend paid including dividend tax	(47.86)	(49.15)
Net cash used in financing activities	(3,035.09)	(2,452.92)

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 December 22, 2017 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 January 22, 2018. The Share Buyback Committee accordingly determined the final buyback price of ₹ 2,000 per share and the final amount available for buyback was ₹ 2,580 million.

Dividend paid during the year under review comprise of dividend payout for the previous year ended March 31, 2017 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 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.

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 and set direction of growth.

The organisation grew to more than 9,200 employees during FY 2017-18. To promote employee wellness, several exciting activities were organised, ranging from health camps like BMI and health check-up, eye check-up, etc along with wellness talks and value education activities. These initiatives received an overwhelming response from employees across locations.

We believe that we are heading in the right direction on our journey to become a work place where employees engages trusts for whom they work for, take pride in what they do, and enjoy the company of the people they work with. In FY 2018-19, 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

Corporate governance is a concept, rather than an individual instrument. It is the system of rules, practices and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Since corporate governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure. 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 capitalisation, 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 eight Directors, of which one is Executive Director, one is Non-Executive Director and six are Non-Executive Independent Directors, including one woman director. The Chairman of the Board is a Non-Executive Independent 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, 2018								
Name	Relationship inter-se	Board	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Investment Committee*	Share Buyback Committee*#
Pradeep Kapoor Non - Executive Independent Director - Chairman	-	Chairperson	Member		Chairperson			
PD Mundhra Whole Time Director - Promoter	-	Member	Member		Member	Member	Member	Member
Anjan Malik Non - Executive Director - Promoter	-	Member		Member			Member	Member
Anish Ghoshal Non - Executive Independent Director	-	Member	Member	Chairperson	Member	Member		Member
Biren Gabhawala Non - Executive Independent Director	-	Member	Chairperson	Member	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 Committee members at the meeting.

#Share Buyback Committee has been dissolved w.e.f. May 23, 2018.

b. Board Meetings and Procedures

The Board of Directors of the Company have complete access to any information pertaining to activities and operations of the Company. Further, respective functional heads are invited to attend Committee/Board Meetings to discuss 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 August 22, 2017.

c. **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.

d. **Details of Directors' attendance and other particulars as on March 31, 2018.**

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, 2018 are given below:

Name	Attendance at the Last AGM held on Aug 22, 2017	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 30, 2017	Aug 11, 2017	Nov 1, 2017	Dec 22, 2017	Jan 30, 2018	Mar 13, 2018			Member	Chairman
V K Mundhra#					–	–	–	0	NA	NA	NA
Pradeep Kapoor								100	1	–	–
PD Mundhra								83	–	–	–
Anjan Malik								83	–	–	–
Anish Ghoshal								83	1	–	–
Vikram Limaye*	–		–	–	–	–	–	100	NA	NA	NA
Biren Gabhawala								100	1	1	1
Alok Goyal								67	–	–	–
Deepa Kapoor								100	–	–	–
Shailesh Kekre								83	–	–	–

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

Leave of Absence Attended in Person Attended Through Video Conference

Resigned w.e.f. November 01, 2017
*Resigned w.e.f. June 10, 2017

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

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

f. Code of Conduct

Pursuant to Regulation 17 of Listing Regulations, the Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2017-2018.

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 https://eclerx.com/wp-content/uploads/2018/06/CodeOfConduct.pdf

g. Code of Conduct on Prohibition of Insider Trading

The Company has in place a Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('the Code'), 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.

h. Code of Conduct for Independent Directors

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

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

Further pursuant to the provisions of Act and the Listing 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 22, 2017.

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 considered necessary.

c. **Terms of Reference**

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

i. The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

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

iii. Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information;

iv. Reviewing with management, the annual financial statements before submission to the Board;

v. Examination of the financial statement and the Auditors' report thereon;

vi. Reviewing the Company's financial and risk management policies;

vii. Monitor related party transactions of the Company;

viii. Subject to applicable rules and regulations, approval or any subsequent modification of transactions of the company with related parties;

ix. Scrutiny of inter-corporate loans and investments;

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

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

xii. Monitoring the end use of funds raised through public offers, if any, and related matters;

xiii. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit;

xiv. Call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and Statutory Auditors and the management of the Company;

xv. Investigate into any matter in relation to the items specified or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

The Audit Committee meets at least four times in a year with not more than one hundred and twenty days between two meetings.

The quorum 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 directors present.

d. Details of Audit Committee meetings held during the year and attendance of committee members are as follows

Name	No. of Audit Committee Meetings held and attended during the year					% of Attendance
	May 29, 2017	Aug 11, 2017	Nov 1, 2017	Jan 30, 2018	Mar 13, 2018	
Biren Gabhawala	✓	✓	✓	✓	✓	100
Pradeep Kapoor	✓	✓	✓	✓	✓	100
Anish Ghoshal	✓	✗	✓	✓	✓	80
Deepa Kapoor	✓	✓	✗	✓	✓	80
PD Mundhra	✗	✓	✓	✓	✓	80

✗ Leave of Absence ✓ Attended in Person

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 Seventeenth Annual General Meeting of the Company held on August 22, 2017.

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 30, 2017	Nov 1, 2017	Dec 22, 2017	Jan 30, 2018	Mar 13, 2018	
Anish Ghoshal	✓	✓	✓	✓	✓	100
Alok Goyal	✓	✓	✗	✗	🎥	60
Anjan Malik	✓	✓	✓	🎥	✗	80
V K Mundhra[$]	✗	✗	–	–	–	0
Biren Gabhawala*	–	–	–	–	✓	100

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

[$] Resigned w.e.f. November 01, 2017

*Appointed as Member of Nomination & Remuneration Committee w.e.f. January 30, 2018

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 2017-18 are as follows :

(Rupees in Million)

Name	Salary & Perquisites including ESOP gain, if any	Remuneration to Independent Directors#	Sitting Fees	Total
PD Mundhra	24.15	-	-	24.15
Anjan Malik	-	-	-	-
Pradeep Kapoor	-	1.73	0.14	1.87
Anish Ghoshal	-	1. 73	0.12	1.85
Vikram Limaye*	-	0. 34	0.02	0.36
Biren Gabhawala	-	1. 73	0.16	1.89
Alok Goyal	-	1. 73	0.08	1.81
Deepa Kapoor	-	1. 73	0.14	1.87
Shailesh Kekre	-	1. 73	0.10	1.83

#Remuneration to Independent Directors for FY 2017-18 would be paid in June 2018.

*Remuneration was paid to Mr. Vikram Limaye on pro-rata basis in November, 2017, as he had resigned during the year.

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 ₹ 1.80 million p.a. The details of the remuneration paid to the Non-Executive Independent Director for FY 2017-18 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 ₹ 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 30, 2017 considered and accordingly recommended the payment of remuneration of ₹ 1.73 million p.a. to each of

Non-Executive Independent Directors of the Company for FY 2017-18, which was approved by the Board at its Meeting held on the same day. The remuneration would be paid in proportion to the term served by the director in respective financial year.

iv. **Remuneration to Whole-time Director:**

The Executive Director is entitled to salary of ₹ 13.80 million p.a. In addition to that, he is also entitled to Annual Performance Bonus, not exceeding ₹ 13.80 million p.a., which is merit based and takes into account the Company's performance. The Nomination and Remuneration Committee at its meeting held on March 13, 2018, recommended 75% of the eligible bonus amount as Annual Bonus for the FY 17-18, to be paid to Mr. P D Mundhra, Executive Director amounting to ₹ 10.35 million and the Board of Directors approved the same at their meeting held on May 23, 2018.

PD Mundhra, offered to forgo his annual remuneration increment for the Financial Year 2018-19 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 23, 2018, accepted his proposal. PD Mundhra has not taken any increment in the monthly salary per-se, since Financial Year 2011-12.

PD Mundhra holds 9,684,379 shares of the Company as on March 31, 2018.

f. **Details of shareholding of Non-Executive Directors as on March 31, 2018**

Sr. No.	Name of the Director	Shareholding (No. of Shares)
1	Anjan Malik	9,689,920
2	Pradeep Kapoor	7,336
3	Anish Ghoshal	2
4	Biren Gabhawala	6,231
5	Alok Goyal	Nil
6	Deepa Kapoor	Nil
7	Shailesh Kekre	Nil

g. **Details of options held by Non-Executive Independent Directors as at March 31, 2018 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 Companies Act, 2013 and Listing Regulations. As on March 31, 2018, 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 Stakeholders' Relationship Committee Meetings held and attended during the year				% of Attendance
	May 29, 2017	Aug 11, 2017	Nov 1, 2017	Jan 30, 2018	
Pradeep Kapoor	✓	✓	✓	✓	100
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.

Name, designation and address of Compliance Officer:
Pratik Bhanushali
Company Secretary and Compliance Officer
Sonawala Building, 1st Floor, 29 Bank Street, Fort,
Mumbai – 400 023, Maharashtra, India.
Ph. Nos.: +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 status of shareholders' complaints received and resolved by the Registrar & Transfer Agent during the year is given below:

Status	No. of complaints
As on April 1, 2017	1
Received during the year	9
Resolved during the year	10
As on March 31, 2018	Nil

There was no complaint pending as on March 31, 2018.

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 29, 2017	Aug 11, 2017	Nov 1, 2017	Jan 30, 2018	
Deepa Kapoor	✓	✓	✓ (Video)	✓	100
Anish Ghoshal	✓	✗	✓	✓	75
PD Mundhra	✗	✓	✓	✓	75
Biren Gabhawala	✓	✓	✓	✓	100

✗ Leave of Absence ✓ Attended in Person ✓ (Video) Attended Through Video Conference

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 ₹ 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 December 22, 2017, constituted a Share Buyback Committee to monitor and undertake all necessary actions for implementation of the Buyback process.

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

Name	No. of Share Buyback Committee Meeting held and attended during the year	% of Attendance Including Video Conference
	Jan 23, 2018	
PD Mundhra		100
Anjan Malik		100
Biren Gabhawala		100
Anish Ghoshal		0

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 May 23, 2018.

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	Venue
2016-17	August 22, 2017	10.15 a.m	Walchand Hirachand Hall, Indian Merchants Chamber, LNM IMC Building, Churchgate, Mumbai 400 020
2015-16	July 13, 2016	10.15 a.m	
2014-15	July 17, 2015	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 Resolution	Aug 22, 2017
No Special Resolution	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.	

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	January 23, 2018	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.

Familiarisation 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 https://eclerx.com/wp-content/uploads/2018/06/PolicyOnRelatedPartiesMaterialNon-listedSubsidiaries.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 2017-18, 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 (Firm Membership No.: 100404W), Internal Auditors of the Company, periodically 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 with 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 2017-18, 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.

Date of AGM	Wednesday, August 29, 2018	
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 1 to March 31	
Financial Calendar (2017-18) (Tentative)	**Declaration of Results for the Quarter Ending on / AGM**	**Tentative Board Meeting Schedule**
	June 30, 2018	First fortnight of August 2018
	September 30, 2018	First fortnight of November 2018
	December 31, 2018	Last fortnight of January 2019
	March 31, 2019	Last fortnight of May 2019
	Nineteenth Annual General Meeting	Last fortnight of August 2019
Date of book closure	Thursday, August 23, 2018 to Wednesday, August 29, 2018 (both days inclusive).	
Dividend payment date	On or after Wednesday, August 29, 2018, but within the statutory time limit of 30 days, subject to shareholders' approval	
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 2018-19.	
ISIN number	INE738I01010	
BSE code	532927	
NSE symbol	ECLERX	
Registered office	Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai - 400 023.	

Corporate office & Delivery Facilities in India	• 4th Floor, Express Towers, Nariman Point Mumbai - 400 021. • Building No. 11, 4th, 5th & 6th Floor, Building No. 14, 4th & 5th Floor, K Raheja Mindspace, Plot No. 3, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai -400 708. • Block 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 Limited 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 49.69%.
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 38,629,059 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, 2018. A total of 23 Equity Shares are in physical mode as on March 31, 2018.
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, Mumbai (ICAI FRN: 101049W/E300004) as stipulated under Part E of Schedule V of Listing Regulations confirming compliance with the conditions of Corporate Governance, is annexed and forms part of the Report on Corporate Governance.
Foreign exchange risk or hedging activities:	Please refer Note no. 35 to Standalone Financial Statements
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 have 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)
2010-11	Final Dividend	22.50	August 24, 2011	September 23, 2018	260,122.50
2011-12	Final Dividend	17.50	August 23, 2012	September 22, 2019	171,640.00
2012-13	Final Dividend	25.00	August 22, 2013	September 22, 2020	190,450.00
2013-14	Final Dividend	35.00	July 10, 2014	August 10, 2021	303,660.00
2014-15	Final Dividend	35.00	July 17, 2015	August 17, 2022	199,500.00
2015-16	Final Dividend	1.00	July 13, 2016	August 13, 2023	15,158.00
2016-17	Final Dividend	1.00	August 22, 2017	September 22, 2024	16,786.00#

*Amount unclaimed as on March 31, 2018

#Amount unclaimed as on April 30, 2018

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 2017-18

Year	Nature of Dividend	Dividend Per Share (Rupees)	Amount(Rupees)	Date of transfer to IEPF
2009-10	Final Dividend	10.00	175,590.00	November 8, 2017

Amounts transferred to Investor Education and Protection Fund till date:

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

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, 2017	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, 2018	17	670

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

Transfer of Shares to IEPF:

In terms of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, shares of shareholders who have not claimed the dividends for the continuous seven years considering the due date of 31/10/2017 have been transferred to IEPF Authority. The details of transferred shares is available on http://www.eclerx.com/Pages/UnclaimedShares.aspx

Claiming of unclaimed dividends before transfer to IEPF:

Shareholders are advised to make your claim for the unclaimed dividends in respect of the Shares held by you, by writing to our Registrar and Share Transfer Agents, M/s. Karvy Computershare Private Ltd., Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana.

Claiming of shares/dividends after transfer to IEPF:

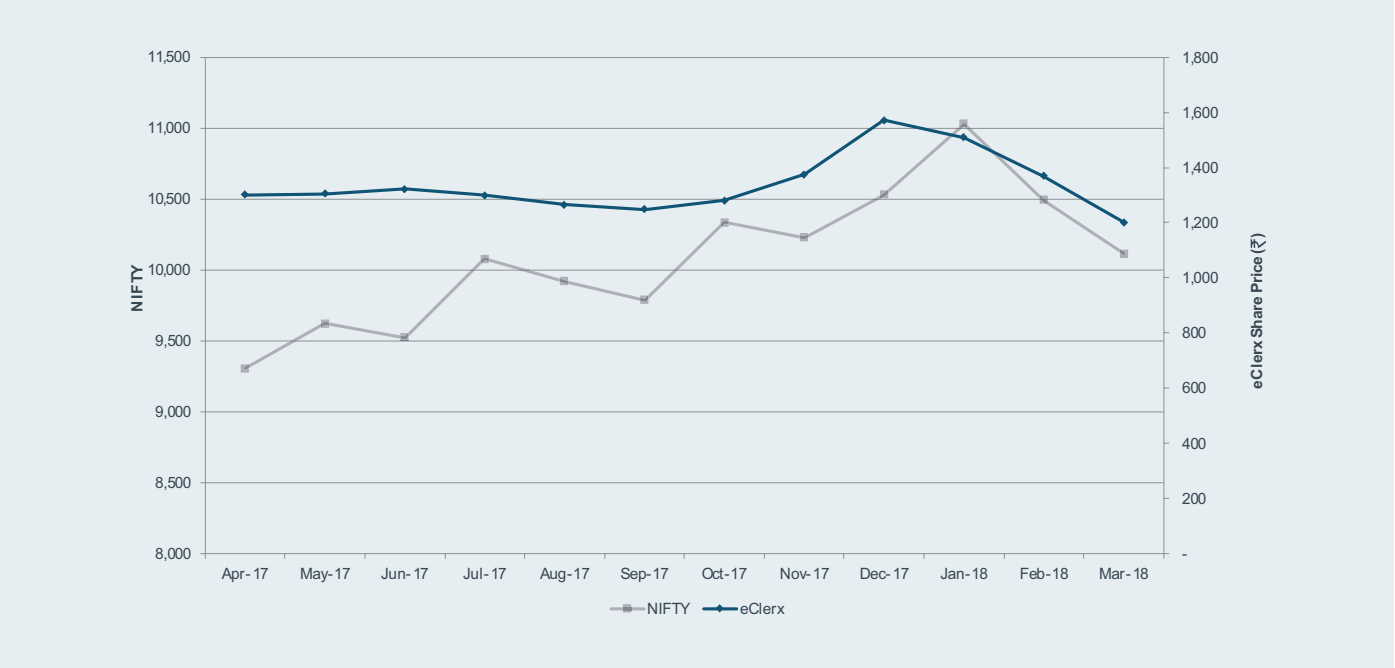
In case you wish to claim the shares / Dividend(s) after its transfer to IEPF, a separate application has to be made to the IEPF Authority in Form IEPF-5, as prescribed under the IEPF Rules and the same is available at IEPF website i.e., www.iepf.gov.in.

Market Price Data

(Rupees per share)

Month	BSE		NSE	
	High	Low	High	Low
Apr-17	1,422.45	1,291.00	1,420.05	1,290.80
May-17	1,360.00	1,260.00	1,360.00	1,255.00
Jun-17	1,367.10	1,275.00	1,358.70	1,277.00
Jul-17	1,385.00	1,271.00	1,393.85	1,271.20
Aug-17	1,337.50	1,220.30	1,303.45	1,220.00
Sep-17	1,275.00	1,141.65	1,275.25	1,161.00
Oct-17	1,310.00	1,190.00	1,320.00	1,203.35
Nov-17	1,400.00	1,240.05	1,399.90	1,233.05
Dec-17	1,589.55	1,276.45	1,584.00	1,275.10
Jan-18	1,608.00	1,486.00	1,609.00	1,486.35
Feb-18	1,565.00	1,301.10	1,563.50	1,299.60
Mar-18	1,408.00	1,157.00	1,413.00	1,162.60

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

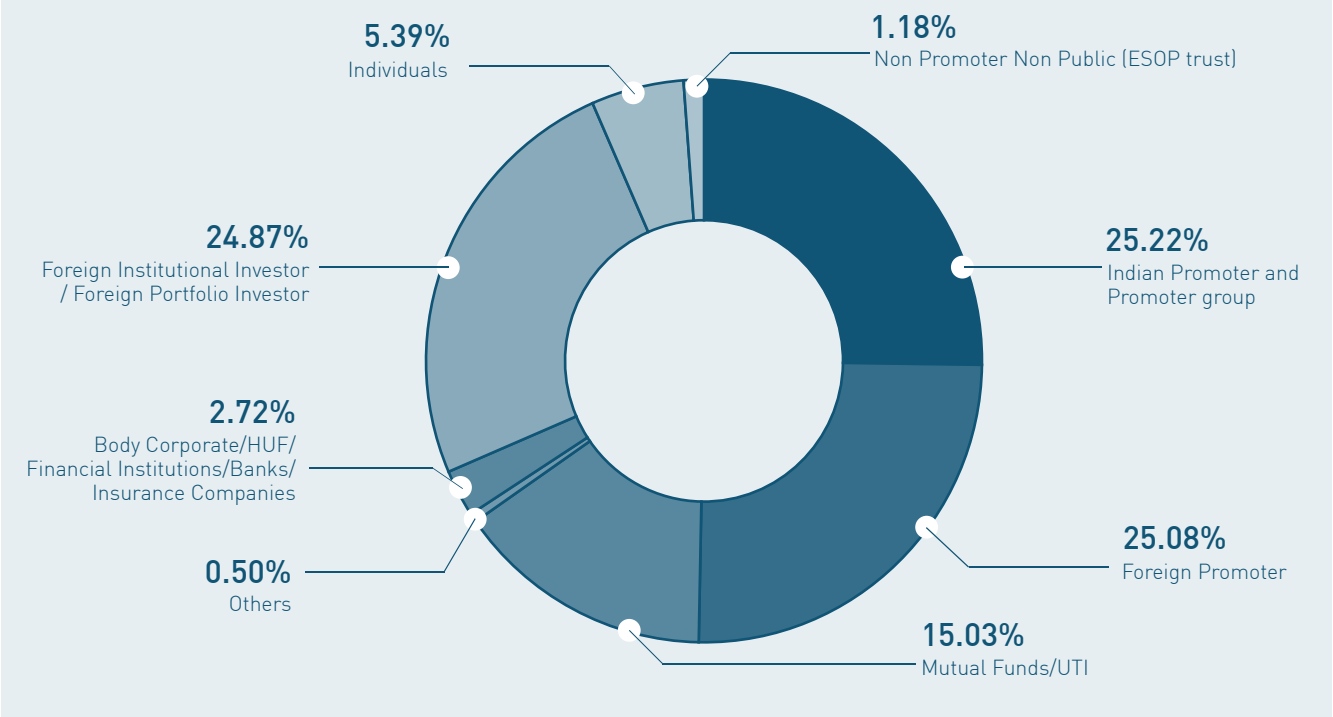


Distribution of Shareholding as at March 31, 2018

Category	Number of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1 - 5000	31,203	99.54	2,135,411	5.53
5001 - 10000	49	0.16	346,996	0.90
10001 - 20000	31	0.10	435,876	1.13
20001 - 30000	9	0.03	232,051	0.60
30001 - 40000	7	0.02	240,020	0.62
40001 - 50000	6	0.02	263,258	0.68
50001 - 100000	9	0.03	614,276	1.59
100001 and above	32	0.10	34,361,194	88.95
TOTAL:	**31,346**	**100.00**	**38,629,082**	**100.00**

The shareholding pattern of the Company as on March 31, 2018 was as under:

S. No.	Category of Shareholder	No. of Shares	% Shareholding
(A)	**Shareholding of Promoter and Promoter Group**		
1	Indian	9,743,211	25.22
2	Foreign	9,689,920	25.09
	Total Promoters Shareholding (A)	**19,433,131**	**50.31**
(B)	**Public Shareholding**		
1	**Institutions**		
(a)	Mutual Funds/UTI	5,806,736	15.03
(b)	Financial Institutions/Banks/Insurance Companies	6,655	0.02
(c)	Foreign Institutional Investor/Foreign Portfolio Investor	9,607,617	24.87
2	**Non-Institutional Investor**		
(a)	Body Corporate//HUF	10,42,367	2.70
(b)	Individuals	2,081,351	5.39
3	**Others**		
(a)	Non Resident Indian	110,885	0.29
(b)	Clearing Members	35,799	0.09
(c)	Trust	7,808	0.02
(d)	Foreign Nationals	40,080	0.10
(e)	NBFC	545	0.00
(f)	IEPF	362	0.00
4	**Qualified Foreign Investors**	0	0.00
	Total Public Shareholding (B)	**18,740,175**	**48.51**
(C)	**Non Promoter Non Public Shareholding**		
	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	455,776	1.18
	Total Non Promoter Non Public Shareholding (C)	**455,776**	**1.18**
	Total (A)+(B)+(C)	**38,629,082**	**100.00**



Compliance with Corporate Governance as per Listing Regulations

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

Shareholder Inquiries

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

Registered Office:
eClerx Services Limited
Sonawala Building, 1st Floor
29 Bank Street, Fort, Mumbai, 400 023
Ph. No.: 022-66148301
Email ID: investor@eClerx.com

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

CODE OF CONDUCT DECLARATION

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

To
The Members of
eClerx Services Limited

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board members and senior management personnel of the Company, for the year ended on March 31, 2018.

For eClerx Services Limited

PD Mundhra
Executive Director

Date: May 23, 2018

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, 2018 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 23, 2018

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 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, 2018. 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 with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one woman director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held April 01, 2017 to March 31, 2018:

      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General Meeting;
      (d) Nomination and remuneration committee;
      (e) Corporate Social Responsibility committee;
      (f) Stakeholders Relationship committee; and
      (g) 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 for the year ended March 31, 2018, 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 23, 2018

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, 2018, 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 Standalone Ind AS 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 standalone 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS 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, 2018, 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

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

(g) 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(c) to the standalone Ind AS financial statements;

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 23, 2018

ANNEXURE 1

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

Re: eClerx Services Limited (the "Company")

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

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

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Companies (Auditor's report) Order, 2016 ("the Order") are not applicable to the Company.

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

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of paragraph 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Act in respect of investments, loans, securities and guarantees given have been complied with by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including the entities in which they are interested to which provisions of section 185 of the Act apply and hence not commented upon.

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

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to duty of excise are not applicable to the Company.

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

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

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax demand	^1,576,730	Assessment Year 2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	^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
The Income Tax Act, 1961	Income Tax demand	^21,909,129	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^16,328,990	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^37,507,910	Assessment Year 2014-15	Commissioner of Income Tax (Appeal)
Service Tax	Service Tax* Penalty on service tax	^^6,189,634 ^^5,834,013	April 2007 - March 2012	Custom, Central Excise and Service Tax Appellate Tribunal ("CESTAT")
Service Tax	Service Tax* Penalty on service tax	^^118,913,942 ^^118,913,942	June 2009 -March 2013	CESTAT
Service Tax	Service Tax* Penalty on service tax	^^7,289,331 ^^7,289,331	April 2008 -March 2013	Commissioner (Appeals), CGST, Central Excise & Service Tax
Service Tax	Service Tax* Penalty on service tax	^^8,707,091 ^^8,707,091	April 2008 –July 2012	CESTAT

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

^The Company has paid Rs 21,810,730 under protest and adjusted refund of Rs. 20,157,364

^^The Company has paid Rs. 10,800,112 under protest

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

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

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

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

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

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

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

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 23, 2018

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, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 23, 2018

BALANCE SHEET

as at March 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
Assets			
Non-current assets			
Property, plant and equipment	3	447.19	549.23
Capital work in progress	3	-	11.21
Intangible assets	4	21.11	34.78
Financial assets	5		
Investments	5.1	2,377.30	2,335.42
Derivative instruments	5.2	7.39	88.50
Other financial assets	9	137.95	115.50
Long term loans	8	679.46	114.57
Deferred tax assets (net)	20	116.30	-
Other non-current assets	10	150.01	379.67
Non-current tax assets (net)		74.55	-
		4,011.26	**3,629.08**
Current assets			
Financial assets	5		
Investments	5.1	1,650.32	2,513.99
Trade receivables	6	1,698.19	1,696.50
Cash and cash equivalents	7.a.	1,444.07	1,179.11
Other bank balances	7.b.	2,359.34	1,790.40
Other financial assets	9	1,065.63	952.31
Derivative instruments	5.2	241.85	553.77
Other current assets	11	435.93	185.59
Current tax assets (net)		-	53.85
		8,895.33	**8,925.52**
Total assets		**12,906.59**	**12,554.60**

BALANCE SHEET

as at March 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
Equity and liabilities			
Equity			
Equity share capital	12	386.29	397.84
Other equity	13	10,567.20	10,595.44
Total equity		**10,953.49**	**10,993.28**
Non-current liabilities			
Employee benefit obligations	15	217.95	157.57
Other non-current liabilities	16	131.09	126.46
Deferred tax liabilities (net)	20	-	19.83
		349.04	**303.86**
Current liabilities			
Financial liabilities			
Trade payables	17	742.00	537.14
Other financial liabilities	18	263.21	206.03
Other current liabilities	19	62.80	57.21
Employee benefit obligations	15	480.15	447.19
Current tax liabilities (net)		55.90	9.89
		1,604.06	**1,257.46**
Total equity and liabilities		**12,906.59**	**12,554.60**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of these financial statements.

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

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
Revenue from operations	21	11,440.21	11,620.22
Other income	22	438.27	284.79
Total Income		**11,878.48**	**11,905.01**
Expenses			
Employee benefits expense	23	4,371.15	3,945.67
Cost of technical sub-contractors		80.91	60.39
Depreciation and amortisation expense	24	295.99	364.07
Other expense	25	3,728.66	3,400.56
Total expenses		**8,476.71**	**7,770.69**
Profit before exceptional items and tax		**3,401.77**	**4,134.32**
Exceptional items gain / (loss)	28	212.59	(80.41)
Profit before tax		**3,614.36**	**4,053.91**
Tax expenses			
Current tax	20		
Pertaining to current year		929.64	845.91
Adjustments in respect of current income tax of previous year		(23.70)	7.76
Deferred tax	20	(72.77)	(111.24)
Income tax expense		**833.17**	**742.43**
Profit for the year		**2,781.19**	**3,311.48**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains / (losses) on defined benefit plans	28	4.23	(30.79)
Income tax effect	20	(1.18)	-
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**3.05**	**(30.79)**

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
		Rupees in Million	Rupees in Million
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	28	(393.03)	493.24
Income tax effect	20	64.54	(133.42)
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		**(328.49)**	**359.82**
Other comprehensive income for the year, net of tax		**(325.44)**	**329.03**
Total comprehensive income for the year, net of tax		**2,455.75**	**3,640.51**
Earnings per equity share (in ₹)			
Basic (Face value of ₹ 10 each)	29	69.87	81.68
Diluted (Face value of ₹ 10 each)	29	69.54	80.78
Summary of significant accounting policies	2		

The accompanying notes form an integral part of these financial statements.

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

	Notes	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Operating activities			
Profit before tax		3,614.36	4,053.91
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	24	270.20	310.56
Amortisation and impairment of intangible assets	24	25.79	53.51
Share-based payment expense	23	26.93	(0.64)
Net foreign exchange differences - Trade receivables		(60.81)	47.32
Net foreign exchange differences - Trade payables		3.08	(0.27)
Loss on sale of assets	25	0.61	0.56
Interest income on corporate rent deposits	22	(12.41)	(13.27)
Amortised cost on corporate rent deposits		12.50	14.08
Loss / (profit) on sale of current investments	22 & 25	(0.81)	2.16
Dividend income	22	(149.03)	(132.92)
Interest income	22	(157.62)	(117.77)
Other adjustments		(3.05)	(30.79)
Bad debts written off	25	0.13	-
Provision for doubtful debts	25	5.21	-
Fair value loss / (gain) on financial instruments at fair value through profit or loss	22 & 25	3.99	(20.47)
Interest on Income tax refund		(9.05)	-
Provision for diminution in value of long term investments	28	-	80.41
		3,570.02	**4,246.38**
Working capital adjustments:			
Increase in employee benefit obligations		93.34	83.37
Decrease / (increase) in trade receivables		53.91	(258.87)
(Increase) in other financial assets and other assets		(156.45)	(158.39)
Increase in trade payables, other current and non current liabilities and financial liabilities		260.32	248.11
Cash generated by operating activities		**3,821.14**	**4,160.60**
Income tax paid (Net of refunds)		(881.36)	(877.84)
Net cash flows from operating activities		**2,939.96**	**3,282.76**
Investing activities			
Proceeds from sale of current investments		9,302.22	7,727.38
Purchase of current investments		(8,441.73)	(8,031.70)
Investment in bank deposits (having original maturity of more than three months)		(2,213.14)	(2,418.50)

STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

	Notes	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Redemption / maturity of bank deposits (having original maturity of more than three months)		1,649.08	1,121.98
Payment of unclaimed dividend and fractional share	7	(0.18)	0.37
Proceeds from sale of property, plant and equipment		1.61	1.21
Disbursement of loan to ESOP trust		(540.00)	(110.00)
Purchase of property, plant, equipment and intangibles (including capital work in progress)		(182.31)	(194.06)
Dividend received (finance income)		149.03	132.92
Interest received (finance income)		165.15	70.72
Net cash flows (used in) investing activities		(110.27)	(1,699.68)
Financing activities			
Proceeds from issue of equity share capital	12	86.95	79.53
Proceeds from equity issue pending allotment		(0.38)	2.38
Buyback of equity shares		(2,603.31)	(2,354.55)
Payment of dividend		(39.87)	(40.79)
Dividend distribution tax		(8.12)	(8.36)
Net cash flows (used in) financing activities		(2,564.73)	(2,321.79)
Net increase / (decrease) in cash and cash equivalents		264.96	(738.71)
Increase in cash and cash equivalents on account of liquidation of subsidiary		-	0.48
Cash and cash equivalents at the beginning of the year		1,179.11	1,917.34
Cash and cash equivalents at the year end		1,444.07	1,179.11
Summary of Significant accounting policies	2		

The accompanying notes form an integral part of these financial statements.

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

	No. of shares	Share Capital Rupees in Million
a. Equity share capital		
Equity shares of ₹ 10 each issued, subscribed and fully paid		
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	(1,170,000)	(11.70)
As at March 31, 2017	**39,784,171**	**397.84**
Add: Shares allotted during the year on account of exercise of share options by employees	134,911	1.35
Less: Buyback of shares during the year (refer note 41)	(1,290,000)	(12.90)
As at March 31, 2018	**38,629,082**	**386.29**

b. Other equity

For the year ended March 31, 2018

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

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 March 31, 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 dvidends 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**	**-**	**0.10**	**9,792.77**	**508.85**	**10,595.44**

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2018

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, 2018 were authorised for issue in accordance with a resolution of the directors on May 23, 2018.

2.A. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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 "₹" and all values are stated ₹ 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 ("₹ "), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the 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 categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

d. Revenue recognition

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, value added tax and goods and service 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.

Government Grants

Government grants are recognised when there is reasonable assurance that grant will be received and all attached conditions will be complied with (refer note 21).

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 periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

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

f. Property, plant and equipment

Property, plant and equipment ("PPE") are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any.

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

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

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

The Company provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down 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.

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

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

Research and development expenses for software product

Research cost are expensed as incurred. Software product development cost are expensed as incurred unless technical feasibility of project is established, further economic benefit are probable, the Company has an intention and ability to complete and use or sell

the software and the cost can be measured reliably. The cost which can be capitalised include the cost of material, direct labour and overhead cost that are directly attributable to preparing the assets for its intended use.

h. Leases

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

The Company as lessee

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

i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash - generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written to its recoverable amount.

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

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

j. Provisions and contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the

liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

k. Retirement and other employee benefits

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no further obligations under these plans beyond its monthly contributions.

Defined Benefit plan

Gratuity

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

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

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

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

Compensated Absences

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

l. Share - based payments

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

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

each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

m. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss 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. 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 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 to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

Cash flow hedges

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

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

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

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

o. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short term investments with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

p. Cash dividend to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity share holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution of interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders of the Company. A corresponding amount is recognised directly in equity.

q. Earnings per share

The earnings considered in ascertaining the Company's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's 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.

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 ("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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2018

Rupees in Million

	Computer hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Total
3. Property, plant and equipment					
Cost					
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**
Additions	86.46	12.08	12.71	58.94	170.19
Disposals	(35.99)	(8.87)	(3.26)	(19.75)	(67.87)
As at March 31, 2018	**412.00**	**271.35**	**107.75**	**431.72**	**1,222.82**
Depreciation and impairment					
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**
Depreciation charge for the year	96.75	64.24	17.86	91.35	270.20
Disposals	(35.56)	(8.87)	(2.83)	(18.38)	(65.64)
As at March 31, 2018	**281.54**	**145.86**	**47.43**	**300.80**	**775.63**
Net Book Value					
As at March 31, 2018	**130.46**	**125.49**	**60.32**	**130.92**	**447.19**
As at March 31, 2017	**141.18**	**177.65**	**65.90**	**164.70**	**549.43**

	As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
Capital work in progress		
Leasehold improvements	-	10.08
Furniture & fixtures	-	0.74
Computer hardware	-	0.39
Total	**-**	**11.21**

		Computer Software	Total
		Rupees in Million	Rupees in Million
4.	Intangible assets		
	Cost		
	As at March 31, 2016	137.45	137.45
	Additions	22.69	22.69
	Disposals	-	-
	As at March 31, 2017	160.14	160.14
	Additions	12.12	12.12
	Disposals	(0.81)	(0.81)
	As at March 31, 2018	171.45	171.45
	Amortisation and impairment		
	As at March 31, 2016	71.85	71.85
	Depreciation charge for the year	53.51	53.51
	Disposals	-	-
	As at March 31, 2017	125.36	125.36
	Depreciation charge for the year	25.79	25.79
	Disposals	(0.81)	(0.81)
	At March 31, 2018	150.34	150.34
	Net Book Value		
	As at March 31, 2018	21.11	21.11
	As at March 31, 2017	34.78	34.78

		As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
5.	Financial assets		
5.1	Investments		
	Non current investments (Unquoted, carried at cost)		
	Investments in equity shares of subsidiaries		
	eClerx LLC (refer note 26 & 40)	485.23	459.80
	eClerx Limited (refer note 26 & 40)	37.54	29.37
	eClerx Private Limited (refer note 26)	4.07	3.75
	eClerx Investments (UK) Limited (refer note 26)	503.29	495.33
	Investments in preference shares of subsidiaries		
	eClerx Investments Limited (refer note 26 & 40)	605.67	605.67
	eClerx Investments (UK) Limited (refer note 26)	1,344.77	1,344.77
		2,980.57	**2,938.69**
	Less: Provision for diminution in value of investments	(605.67)	(605.67)
		2,374.90	**2,333.02**
	Non current investments (Unqouted, carried at fair value through profit and loss)		
	Talentick Edusolutions Private Limited (refer note 26)	**2.40**	**2.40**
		2.40	**2.40**
	Total Non- Current Investments	**2,377.30**	**2,335.42**
	Current investments (Quoted, carried at fair value through profit and loss)		
	Investments in mutual funds	1,650.32	2,513.99
	Total current investments	**1,650.32**	**2,513.99**
	Aggregate book value of quoted investments	1,650.32	2,513.99
	Aggregate market value of quoted investments	1,650.32	2,513.99
	Aggregate value of unquoted investments	2,377.30	2,335.42
	Aggregate amount of impairment in value of investments	605.67	605.67

Investments at fair value through profit or loss (fully paid) reflect investments in mutual funds and investment in Talentick Edusolutions Private Limited. For further details, refer note 26 and 27 and for determination of fair values, refer note 37.

		As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
5.2	Derivative instruments		
	Derivative instruments at fair value through OCI		
	Cash flow hedges		
	Foreign exchange forward contracts	249.24	642.27
	Total derivative instruments at fair value through OCI	**249.24**	**642.27**
	Current	241.85	553.77
	Non Current	7.39	88.50
		249.24	**642.27**

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars ("USD") and Euros ("EUR").

		As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
6.	**Trade receivables**		
	Trade receivables	1,637.57	1,689.30
	Receivables from other related parties	60.62	7.20
	Total trade receivables	**1,698.19**	**1,696.50**
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	-
	Doubtful	**5.21**	-
	Less: Provision for doubtful receivables	**(5.21)**	-
		-	**-**
	Other receivables		
	Unsecured, considered good	1,698.19	1,696.50
	Doubtful	-	-
	Less: Provision for doubtful receivables	-	-
	Total trade receivables	**1,698.19**	**1,696.50**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

		As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
7.a.	**Cash and cash equivalents**		
	Balances with banks:		
	In current accounts	999.85	1,177.78
	Deposits with original maturity of less than three months	400.00	-
	Earmarked bank balance towards dividend	1.14	1.32
	Earmarked bank balance towards fractional share payout	0.01	0.01
	Earmarked bank balance towards buyback	43.07	-
		1,444.07	**1,179.11**
7.b.	**Other bank balances**		
	Deposits with original maturity of more than three months but less than twelve months	933.64	1,669.00
	Deposits with original maturity of more than twelve months	1,349.00	49.50
	Interest receivable	75.32	70.44
	Deposits pledged with banks against bank guarantees	1.38	1.46
		2,359.34	**1,790.40**
		3,803.41	**2,969.51**

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 at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
8.	**Long term loans**		
	eClerx Employee Welfare Trust	679.46	114.57
		679.46	**114.57**

The Company has created an Employee Benefit Trust ("EBT") for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The Shares held by EBT are treated as treasury shares.

The Company provides loan to EBT at the rate of 6.41% (till September 30, 2017 : 15.85%) for the period of 4-6 years for purchase of treasury shares.

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
9.	**Other financial assets**		
	Non-current		
	Corporate premises rent deposits	122.00	110.46
	Other deposits	15.95	5.04
		137.95	**115.50**
	Current		
	Unbilled revenue	1,037.72	927.77
	Staff accomodation rent deposits	0.30	0.30
	Recoverable expenses from client	-	10.30
	Other advances	27.61	13.94
		1,065.63	**952.31**
		1,203.58	**1,067.81**
	Break up of financial assets carried at amortised cost		
	Trade receivables (refer note 6)	1,698.19	1,696.50
	Cash and cash equivalents (refer note 7)	3,803.41	2,969.51
	Long term loans (refer note 8)	679.46	114.57
	Other financial assets (refer note 9)	1,203.58	1,067.81
	Total financial assets carried at amortised cost	**7,384.64**	**5,848.39**

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
10.	**Other non-current assets**		
	Capital advances	1.33	4.38
	Service tax and Other tax credits	74.75	375.29
	Goods & Service Tax ("GST") credits	73.93	-
		150.01	**379.67**

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
11.	**Other current assets**		
	Prepaid expenses	95.50	120.14
	Service tax and other tax credits	135.62	65.45
	Service Exports from India Scheme Licence ("SEIS") receivables	204.81	-
		435.93	**185.59**

		Equity shares	
		As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
12.	**Share Capital**		
	Authorised share capital		
	Authorised share capital		
	50,010,000 (March 31, 2017: 50,010,000) shares of ₹ 10 each	500.10	500.10
	Issued, subscribed and fully paid up		
	38,629,082 (March 31, 2017: 39,784,171) shares of ₹ 10 each fully paid up	386.29	397.84

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 1,290,000 shares during the year ended March 31, 2018 (FY 2016-17:1,170,000 & FY 2013-14: 37,623) during the period of 5 years immediately preceding the balance sheet date.

Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% Holding	Number of shares	% Holding
Name of the shareholder				
Anjan Malik	9,689,920	25.08%	9,974,701	25.07%
PD Mundhra	9,684,379	25.07%	9,968,997	25.06%
Matthews India Fund	2,661,931	6.89%	2,701,931	6.79%

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, 2016	**961.89**
	Add: Premium on issue of shares allotted 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)**
	As at March 31, 2017	**131.31**
	Add: Premium on issue of shares allotted pursuant to exercise of options	**85.98**
	Add: Transferred from share based payment reserve on exercise of options	**28.81**
	Less: Amount adjusted on account of buyback of shares	(131.30)
	As at March 31, 2018	**114.80**
	Share based payment reserve	
	As at April 1, 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**
	Add: Charge for the year	71.40
	Less: Transfer to securities premium on exercise of stock options	(28.81)
	Less: Reversed on stock options cancelled / forfeiture during the year	(2.59)
	As at March 31, 2018	**187.95**
	Hedging reserve	
	As at April 1, 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**
	Less: Net movement on cash flow hedges	(393.03)
	Add: Deferred tax liability on net movement on cash flow hedges	64.54
	As at March 31, 2018	**180.36**
	Capital reserve	
	As at April 1, 2016	0.10
	As at March 31, 2017	0.10
	As at March 31, 2018	0.10
	Capital redemption reserve	
	As at April 1, 2016	**0.38**
	Add : Amount transferred from securities premium on account of buyback of shares	11.70
	As at March 31, 2017	**12.08**
	Add : Amount transferred from retained earnings on account of buyback of shares	12.90
	As at March 31, 2018	**24.98**

	Rupees in Million
General reserve	
As at April 1, 2016	**983.17**
Less: Amount utilised on account of buy back of shares	**(983.17)**
As at March 31, 2017	**-**
As at March 31, 2018	**-**
Retained earnings	
As at April 1, 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**
Add: Profit during the year	2,781.19
Add: Remeasurement gain on defined benefit plans	3.05
Less: Share buyback expenses	(23.31)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(12.90)
Less: Amount utilised on account of buy back of shares	(2,435.80)
Less: Dividend and dividend tax paid (refer note 14)	(47.99)
As at March 31, 2018	**10,057.01**

	As At March 31, 2018	As At March 31, 2017
	Rupees in Million	Rupees in Million
Other reserves		
Securities premium account	114.80	131.31
Share based payment reserve	187.95	147.95
Hedging reserve	180.36	508.85
Capital reserve	0.10	0.10
Capital redemption reserve	24.98	12.08
General reserve	-	-
Retained earnings	10,057.01	9,792.77
	10,565.20	**10,593.06**
Share application money pending allotment		
As at March 31, 2017		**2.38**
As at March 31, 2018		**2.00**

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

	March 31, 2018	March 31, 2017
	Rupees in Million	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, 2017: ₹ 1 per share (March 31, 2016: ₹ 1 per share)	39.87	40.79
Dividend distribution tax on final dividend	8.12	8.36
	47.99	**49.15**
Proposed dividends on equity shares:		
Cash dividend for the year ended on March 31, 2018: ₹ 1 per share (March 31, 2017: ₹ 1 per share)	38.63	39.78
Dividend distribution tax on proposed dividend	7.86	8.10
	46.49	**47.88**

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, 2018.

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
15. Employee benefit obligations		
Non-current		
Gratuity (refer note 30)	174.35	157.57
Incentive to employees	43.60	-
	217.95	**157.57**
Current		
Gratuity (refer note 30)	41.00	30.00
Compensated absences	188.96	167.12
Incentive to employees	250.19	250.07
	480.15	**447.19**
16. Other non-current liabilities		
Lease equalisation reserve	131.09	126.46
	131.09	**126.46**

		As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
17.	**Trade payables**		
	Trade payables	23.41	37.03
	Trade payables to related parties	718.59	500.11
		742.00	**537.14**

- 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 avaiable with the Company, 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, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
18.	**Other financial liabilities**		
	Accrued expenses	192.53	128.03
	Advance billing	67.89	66.40
	Payables for capital expenditure	1.64	10.27
	Unpaid dividend	1.14	1.32
	Unpaid fractional share payout	0.01	0.01
		263.21	**206.03**
	Break up of financial liabilities at amortised cost		
	Other financial liabilities (refer note 18)	263.21	206.03
	Trade payables (refer note 17)	742.00	537.14
		1,005.21	**743.17**
19.	**Other current liabilities**		
	Statutory dues	53.02	44.52
	Lease equalisation reserve	9.78	12.69
		62.80	**57.21**

	As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
20. Income Taxes		
The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
Statement of profit and loss:		
Profit or loss section		
Current Income tax:		
Current income tax charge	929.64	845.91
Adjustment in respect of current income tax of previous year	(23.70)	7.76
Deferred tax	(72.77)	(111.24)
Income tax expense reported in the statement of profit or loss	**833.17**	**742.43**
OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Net movement on cash flow hedges	64.54	(133.42)
Net movement on remeasurement gains on defined benefit plans	(1.18)	-
Income tax credited / (charged) to OCI	**63.36**	**(133.42)**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:		
Accounting profit before income tax	3,614.36	4,053.91
At India's statutory income tax rate of 34.61% (March 31, 2017: 34.61%)	1,250.86	1,402.98
Tax effect of income not chargeable to tax	412.62	414.08
Adjustments in respect of current income tax of previous years	(23.70)	7.76
Utilisation of previously unrecognised MAT credit	-	179.25
Non-deductible income/ (expenses) for tax purposes	18.63	(59.46)
Income tax expense reported in the statement of profit and loss	**833.17**	**742.43**
At the effective income tax rate of 23.05% (March 31, 2017: 18.31%)		

	Balance Sheet		Profit & Loss	
	As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million	As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
Deferred tax:				
Deferred tax relates to the following:				
Accelerated depreciation for tax purposes	98.21	58.78	(39.43)	(56.43)
Gratuity	53.22	34.11	(19.11)	(34.11)
Expenses available for offsetting against future taxable income	34.93	20.70	(14.23)	(20.70)
Deferred tax on cash flow hedges	(68.88)	(133.42)	-	-
Deferred tax on remeasurement gain / (losses) on defined benefit plans	(1.18)	-	-	-
Deferred tax expense / (income)			**(72.77)**	**(111.24)**
Net deferred tax assets / (liabilities)	**116.30**	**(19.83)**		

	As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
Reflected in the balance sheet as follows:		
Deferred tax assets	186.36	113.59
Deferred tax liabilities	(70.06)	(133.42)
Deferred tax assets / (liabilities), net	**116.30**	**(19.83)**
Reconciliation of deferred tax assets / (liabilities), net:		
Opening balance	(19.83)	2.35
Tax income / (expense) during the period recognised in profit or loss	72.77	111.24
Tax income / (expense) during the period recognised in OCI	63.36	(133.42)
Closing balance	**116.30**	**(19.83)**

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, 2018 and March 31, 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax ("DDT") to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

		For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
21.	**Revenue from operations**		
	Sale of services	11,333.04	11,620.22
	Other operating revenue (refer Note 21(a))	107.17	-
		11,440.21	**11,620.22**

21 (a). During the financial year 2017-18, the Company has recognised net SEIS income of ₹ 121.85 million for financial year 2015-16 (on realisation basis) and ₹ 90.74 million for financial year 2016-17 (on estimation basis). The total net SEIS income for financial year 2015-16 and 2016-17 of ₹ 212.59 million has been disclosed as exceptional item (refer note 28 for further details). During the financial year 2017-18, based on the public notice 45/2015-2020 dated December 05, 2017 issued by Director General of Foreign Trade, the Company has accounted SEIS income of ₹ 107.17 million for the year ended March 31, 2018 under other operating revenue.

	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees in Million	Rupees in Million
22. Other income		
Dividend	149.03	132.92
Interest income on fixed deposit	129.96	112.70
Interest income on corporate rent deposits	12.41	13.27
Profit on sale of current investments	0.81	-
Interest income on loan to ESOP trust	27.66	5.07
Miscellaneous Income	41.24	0.36
Fair value gain on financial instruments (mutual funds) at fair value through profit or loss	-	20.47
Foreign exchange gain (net)	69.67	-
Government grant ("PMRPY")(refer Note 22(a))	7.49	-
	438.27	**284.79**

22 (a). During the Financial Year 2017-18, the Company has received reimbursement of employers' contribution to Provident Fund under the Pradhan Mantri Rojgar Protsahan Yojna ("PMRPY") for new employment created. The Company has accounted the same under Other income.

	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees in Million	Rupees in Million
23. Employee benefits expense		
Salaries, wages and bonus	4,143.30	3,792.48
Contribution to provident and other funds	97.76	83.70
Employee stock compensation	26.93	(0.64)
Gratuity expense (refer note 30)	70.91	39.57
Staff welfare expense	32.25	30.56
	4,371.15	**3,945.67**

	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees in Million	Rupees in Million
24. Depreciation and amortisation expense		
Depreciation of tangible assets (refer note 3)	270.20	310.56
Amortization of intangible assets (refer note 4)	25.79	53.51
	295.99	**364.07**

	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
25. Other expense		
Sales and marketing services	2,118.11	1,819.94
Office base rentals	424.57	399.89
Travelling expenses	313.91	215.74
Communication expenses	123.54	131.44
Legal and professional charges	137.20	126.83
Repairs and maintenance		
Building	11.15	13.55
Others	12.76	8.77
Rates and taxes	9.77	18.28
Office expenses	41.53	41.67
Housekeeping services	38.80	38.55
Security charges	52.44	55.44
Other insurance	9.36	10.03
Subscription & membership fees	18.24	6.41
Electricity	77.09	84.50
Local conveyance	70.05	78.71
Computer and electrical consumables	158.68	140.66
Printing and stationery	8.01	8.46
Bad debts written off	0.13	-
Provision for doubtful debts	5.21	-
Business promotion	6.62	5.23
Bank charges	7.49	12.33
Directors' sitting fees	0.76	0.99
Auditor's remuneration	8.28	7.80
Loss on foreign exchange fluctuation (net)	-	97.29
Fair value loss on financial instruments at fair value through profit or loss	3.99	-
Loss on sale of current investments	-	2.16
Loss on sale of fixed assets/asset disposed off (net)	0.61	0.56
Corporate Social Responsibility ("CSR") expenditure (refer details below)	67.70	64.44
Miscellaneous expense	2.66	10.89
	3,728.66	3,400.56

Research and Development expenditure:

In-house research & development centre ("R&D") of the Company is located in Mumbai. The aggregate expenditure on research and development activities is the in-house R&D centre is as follows.

	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
Revenue Expenditure	**85.01**	**54.50**
Capital Expenditure	**1.36**	**8.86**

	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees in Million	Rupees in Million
Payments to auditors:		
As auditor		
Audit fee	3.76	3.20
Limited review	3.04	3.00
In other capacity:		
Other services (certification fees)	1.00	1.33
Reimbursement of expenses	0.48	0.27
	8.28	**7.80**

Details of CSR expenditure:

Gross amount required to be spent by the Company during the year: ₹ 71.11 (March 31, 2017: ₹ 64.68) million.

For the year ended March 31, 2018

Rupees in Million

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than above	67.70	-	67.70

For the year ended March 31, 2017

Rupees in Million

	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purpose other than above	64.44	-	64.44

	As at March 31		Currency	Face value	As at March 31	
	2018	2017			2018	2017
	No. of shares				Rupees in Million	
26. Details of non - current investments						
Investments in unquoted equity instruments (fully paid up)						
Talentick Edusolutions Private Limited	8,000	8,000	Re.	1	2.40	2.40
Investments in equity shares of subsidiaries (fully paid up) [Trade]						
eClerx LLC	100	100	USD	1	485.23	459.80
eClerx Limited	100	100	GBP	1	37.54	29.37
eClerx Private Limited	1	1	SGD	1	4.07	3.75
eClerx Investments (UK) Limited	5,251,224	5,251,224	GBP	1	503.29	495.33
Investments in unquoted preference shares (fully paid up) of subsidiaries [Trade]						
eClerx Investments Limited (refer note 40)	7,776,000	77,76,000	GBP	1	605.67	605.67
eClerx Investments (UK) Limited	13,434,888	13,434,888	GBP	1	1,344.77	1,344.77
Less: Provision for diminution in value of investments (refer note 28)					(605.67)	(605.67)
Total					**2,377.30**	**2,335.42**

Investments in Indian money market mutual funds	As at March 31		As at March 31	
	2018	2017	2018	2017
	Number of units		Rupees in Million	
27. Details of current investments				
Birla Sun Life Savings Fund - Daily Dividend - Direct Plan	550,549	1,001,590	55.16	100.46
Birla Sun Life Floating Rate Fund STP - IP - Reinvestment - Daily Dividend	2,210,094	305,552	221.36	30.56
Birla Sun Life Cash Plus - Daily Dividend	-	505,392	-	50.64
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
Kotak Treasury Advantage Fund Direct DDR	6,483,911	-	65.36	
Kotak Floater Short Term - Direct Plan - Daily Dividend	-	80,085	-	81.02
Kotak Low Duration Fund Direct Weekly Dividend	294,793	322,823	354.37	387.55
ICICI Prudential Money Market Fund Cash Option	3,706,653	2,406,175	371.42	240.96
ICICI Prudential Flexible Income Plan	-	991,542	-	104.84
ICICI Prudential Savings Fund - Direct Plan - Daily Dividend	-	2,405,733	-	242.78
Reliance Medium Term Fund-Direct Plan Daily Dividend	20,240,294	16,491,469	346.23	281.94
Reliance Liquid Fund Cash Plan-DD	62,798	-	70.21	
IDFC Super Saver Income Fund -ST Plan	-	10,302,887	-	106.16
HDFC Cash Mgmt Fund - Treasury Advantage	-	17,927,519	-	180.45
DSP Black Rock Short Term Fund - Direct Plan - Weekly Dividend	-	10,426,350	-	106.21
UTI Liquid Fund Cash Plan	-	166,787	-	170.03
UTI - Money Market Fund -Institutional Plan - Direct Plan - Daily Dividend	115,410	124,772	115.80	125.19
UTI - Treasury Advantage Fund - Institutional Plan - Direct Plan - Daily Dividend	-	99,902	-	100.14
Reliance Fixed Horizon Fund XXXVI Series 4	5,000,000	-	50.41	-
Total			**1,650.32**	**2,513.99**

	Cash flow hedge reserve	Retained earnings	Total
	Rupees in Million	Rupees in Million	Rupees in Million
28. Components of Other Comprehensive Income ("OCI") and exceptional items			
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2018:			
Net movement on cash flow hedges	(393.03)	-	(393.03)
Income tax effect on net movement on cashflow hedges	64.54	-	64.54
Remeasurement gains/(losses) on defined benefit plans	-	4.23	4.23
Income tax effect on remeasurement gain/(loss) on defined benefit plans	-	(1.18)	(1.18)
	(328.49)	**3.05**	**(325.44)**
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**

	March 31, 2018	March 31, 2017
	Rupees in Million	Rupees in Million
Exceptional items - gain / (loss)		
Provision for dimunition in value of investment	-	(80.41)
Net SEIS income	212.59	-
	212.59	**(80.41)**

The merger of Agilyst Consulting Private Limited ("ACPL") with the Company resulted in a tax liability in Agilyst Inc. Eclerx Investments Limited 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 Limited and made a provision for diminution in value of ₹ 80.41 million in the standalone financial statements for the year ended March 31, 2017.

During the financial year 2017-18, the Company has recognised net SEIS income of ₹ 121.85 million for financial year 2015-16 (on realisation basis) and ₹ 90.74 million for financial year 2016-17 (on estimation basis). The total net SEIS income for financial year 2015-16 and 2016-17 of ₹ 212.59 million has been disclosed as exceptional item.

	March 31, 2018	March 31, 2017
	Rupees in Million	Rupees in Million
29. Earnings per share (EPS)		
The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per equity share, and also the weighted average number of equity shares, which would be issued on the conversion of all dilutive potential equity shares into equity shares, unless the results would be anti-dilutive.		
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holders	2,781.19	3,311.48
Weighted average number of equity shares for basic EPS	39,807,763	40,540,096
Dilutive impact of employee stock options	184,815	455,768
Weighted average number of equity shares adjusted for the effect of dilution	39,992,578	40,995,864
Earnings per equity share (in ₹)		
Basic	69.87	81.68
Diluted	69.54	80.78

	March 31, 2018	March 31, 2017
	Rupees in Million	Rupees in Million
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:		
Current service cost	34.25	28.92
Past service cost	23.30	-
Interest cost on benefit obligation	13.67	11.15
Return on plan assets (excluding amounts included in net interest expense)	(0.31)	(0.50)
	70.91	**39.57**

	Defined benefit obligation	Fair value of plan assets	Total
	Rupees in Million	Rupees in Million	Rupees in Million
Employee benefit liability as on April 1, 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**
Benefits paid			-
from fund	(26.37)	(26.37)	-
paid by employer	-	-	(0.53)
Adjustment on account of merger	-	0.53	
Remeasurement losses in other comprehensive income			
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	**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**
Employee benefit liability as on April 1, 2017	**192.00**	**4.43**	**187.57**
Gratuity cost charged to statement of profit and loss			
Current service cost	34.25	-	34.25
Past service cost	23.30	-	23.30
Net interest expense	13.67	-	13.67
Return on plan assets (excluding amounts included in net interest expense)	-	0.31	(0.31)
Sub-total included in statement of profit and loss (refer note 23)	**71.22**	**0.31**	**70.91**
Benefits paid			
from fund	(33.49)	(33.49)	-
paid by employer	-	-	-
Remeasurement losses/(gain) in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	(16.29)	-	(16.29)
Experience adjustments	12.06	-	12.06
Sub-total of remeasurment losses/(gain) included in OCI	**(4.23)**		**(4.23)**
Contributions by employer	-	38.90	(38.90)
Employee benefit liability as on March 31, 2018	**225.50**	**10.15**	**215.35**

	March 31, 2018	March 31, 2017
	%	%
The principal assumptions used in determining gratuity obligations of the Company are shown below:		
Discount rate:	7.56	7.12
India gratuity plan		
Future salary increases:		
India gratuity plan	7.00	7.00
Assumption:		
Expected return on plan assets	7.56	7.12
Employee turnover:		
a. For service 4 years and below (p.a.)	30.00	30.00
b. For service 5 years and above (p.a.)	2.00	2.00
Mortality Rate During Employment is based on report of Indian Assured Lives Mortality (2006-08).		

	March 31, 2018	March 31, 2017
	Rupees in Million	Rupees in Million
A quantitative sensitivity analysis for significant assumption is as shown below:		
Effect of +1% Change in discount rate	(31.87)	(28.46)
Effect of -1% Change in discount rate	39.22	35.38
Effect of +1% Change in future salary increases	34.04	27.59
Effect of -1% Change in future salary increases	(29.08)	(24.17)
Effect of +1% Change in employee turnover	2.80	2.12
Effect of -1% Change in employee turnover	(3.38)	(2.61)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	March 31, 2018	March 31, 2017
	Rupees in Million	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)	6.97	5.54
Between 2 and 5 years	24.79	20.50
Between 5 and 10 years	43.49	34.49
Total expected payments	**75.25**	**60.53**

The average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (March 31, 2017: 19 years).

31. Share-based payments

Employee Stock Option Plan

Under the employee stock option plan, the Company, grants options to senior executive employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Commitee. Vesting period is three years from the date of grant. Further, vesting of certain portion of the stock options is dependent on the Compounded Annual Growth Rate of the organic operating revenues of the Company. The fair value of the stock options is estimated at the grant date using a Black and Scholes model, taking into account the terms and conditions upon which the share options were granted. The contractual term of each option granted is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement of these options.

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2018	March 31, 2017
	Rupees in Million	Rupees in Million
Expense arising from equity-settled share-based payment transactions	26.93	(0.64)
Total expense arising from share-based payment transactions	**26.93**	**(0.64)**

ESOP 2008 scheme:

The Company instituted ESOP 2008 scheme under which 1,000,000 stock options have been allocated for grant to the employees. The scheme was approved by the shareholders by way of postal ballot, the result of which was declared on May 19, 2008. The Scheme was subsequently amended to increase the number of options to 1,600,000 stock options vide resolution passed at Ninth Annual General Meeting held on August 26, 2009. Pursuant to bonus issue by the Company on July 29, 2010, the number of options available under the scheme accordingly increased to 2,400,000 pursuant to relevant SEBI regulations. During the year ended March 31, 2016, the Nomination and Remuneration Committee approved that no further options will be granted under ESOP 2008 Scheme, however active options thereunder would continue to vest as per the respective terms.

Movements during the year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year:

	March 31, 2018		March 31, 2017	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	16,401	517.70	55,867	506.52
Forfeited during the year	6,535	517.70	-	-
Exercised during the year	9,866	517.70	39,466	501.88
Outstanding at the end of the year	**-**	**-**	**16,401**	**517.70**
Exercisable at the end of the year	-		16,401	

The weighted average share price at the date of exercise of these options was ₹ 1,376 per share. (March 31, 2017: ₹ 1,465)

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, 2018		March 31, 2017	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	1,281,074	978.19	1,988,055	857.24
Forfeited during the year	409,222	1,097.16	580,962	671.14
Exercised during the year	125,045	657.59	126,019	485.67
Outstanding at the end of the year	**746,807**	**1,006.10**	**1,281,074**	**978.19**
Exercisable at the end of the year	219,317		162,504	

The weighted average share price at the date of exercise of these options was ₹ 1,319 per share. (March 31, 2017: ₹ 1,444)

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 2.92 years (March 31, 2017: 2.68 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 463.91 to ₹ 1,196.25 (March 31, 2017: ₹ 463.91 to ₹ 1,196.25).

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

ESOP 2015 scheme:

Pursuant to the applicable requirements of the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI guidelines"), the Company had framed and instituted Employee Stock Option Plan 2015 ("ESOP 2015") to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

ESOP 2015 envisages an ESOP trust which is authorised for secondary acquisition and accordingly during the year under review, ESOP Trust has bought 412,547 shares (in financial year 2016-17: 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, 2018		March 31, 2017	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	299,208	1,379.15	-	-
Granted during the year	382,663	1,294.00	324,162	1,379.15
Forfeited during the year	48,466	1,348.34	24,954	1,379.15
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**633,405**	**1,327.87**	**299,208**	**1,379.15**
Exercisable at the end of the year	-		-	

These options are not yet vested as of March 31, 2018.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 5.07 years (March 31, 2017: 5 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 1,294 to ₹ 1,379.15 (March 31, 2017: ₹ 1379.15).

The weighted average fair value of options granted during the year was ₹ 455.97 (March 31, 2017: ₹ 462.43)

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

The following table lists the inputs to the models used for fair valuation of the options granted :

	for the year ended March 31, 2018	for the year ended March 31, 2017
Date of grant	May 30, 2017	May 20, 2016
Dividend yield (%)	0.08	2.41
Expected volatility (%)	32.03	33.26
Risk–free interest rate (%)	6.74	7.29
Expected life of share options (years)	3.85	3.87
Model used	Black and Scholes	Black and Scholes
Stock Price (₹)	1,294.00	1,450.25
Exercise Price (₹)	1,294.00	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.

	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Lease payments recognised in the statement of profit and loss	424.57	399.89
Future minimum lease payments for non-cancellable operating leases		
Within one year	81.52	88.21
After one year but not more than five years	91.44	80.06
Total	**172.96**	**168.27**
b. **Commitments**		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11.57	5.91
c. **Contingent liabilities**		
Income Tax demands (refer note a)	101.76	78.77
Indirect Tax demands (refer note b)	141.10	12.02

Notes:

(a) The Company has received Income Tax demands amounting to ₹ 101.76 million (excluding interest) for financial years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 against which appeals are pending with Commissioner of Income Tax (Appeals) and Income Tax Appelate Tribunal.

(b) The Company has received Indirect tax demands amounting to ₹ 141.10 million (excluding interest and penalties) for the period April 2007 to March 2013 against which appeals are pending with Commissioner-Appeals and Custom, Excise and Service Tax Appellate Tribunal.

With respect to tax refund claims for the period April 2012 till March, 2017 to the extent rejected by the service tax department for ₹ 12.58 million, the company's appeals are pending before the Commissioner of Central Excise & CGST (Appeals).

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

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. eClerx Investments (UK) Limited (wholly owned subsidiary)
6. CLX Europe S.P.A. (100% subsidiary of eClerx Investments (UK) Limited)
7. Sintetik S.R.L. (100% subsidiary of CLX Europe S.P.A.)
8. CLX Europe Media Solution GmbH (100% subsidiary of CLX Europe S.P.A.)
9. CLX Europe Media Solution Limited (100% subsidiary of CLX Europe Media Solutions GmbH)
10. CLX Thai Company Limited (49% holding of CLX Europe S.P.A.)
11. eClerx Employee Welfare Trust (Entity under control of the Company)
12. eClerx Canada Limited (wholly owned subsidiary of eClerx Investments (UK) Limited)

(b) Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013 with whom transactions have taken place during the year

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

1. Duncan Stratton & Company Limited

(II) Key Management Personnel:

1. Pradeep Kapoor (Non-Executive Director - Chairman)
2. PD Mundhra (Executive Director)
3. Anjan Malik (Non-Executive Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Pratik Bhanushali (Company Secretary) appointed w.e.f January 30, 2018
6. Biren Gabhawala (Non-Executive Independent Director)
7. Anish Ghoshal (Non-Executive Independent Director)
8. Alok Goyal (Non-Executive Independent Director)
9. Deepa Kapoor (Non-Executive Independent Director)
10. Shailesh Kekre (Non-Executive Independent Director)
11. Vikram Limaye (Non-Executive Independent Director) resigned w.e.f. June 10, 2017
12. Gaurav Tongia (Company Secretary) resigned w.e.f. November 17, 2017
13. V.K. Mundhra (Non-Executive Director-Chairman) resigned w.e.f. November 1, 2017

B. Details of Related Party & Key Management Personnel Transactions:

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

Transactions with Wholly owned subsidiaries / Step down subsidiaries:

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
eClerx Limited	Sales and marketing services by subsidiary to the Company	454.95	450.72	174.40 Payable	101.62 Payable
	Amount received by the Company on behalf of the subsidiary	2.13	4.48		
	Information Technology Enabled Services ("ITES") services by subsidiary to the Company	7.41	-		
	Amount received by subsidiary on behalf of the Company	0.46	-	1.98 Receivable	-
	Expense incurred by the Company on behalf of subsidiary	1.99	0.01		
	ITES services by the Company to subsidiary company	1.52	-		
eClerx LLC	Sales and marketing services by subsidiary to the Company	1,576.38	1,226.37	510.51 Payable	379.82 Payable
	Amount received by the Company on behalf of the subsidiary	7.06	5.01		
	ITES services by subsidiary to the Company	21.21	-		
	Expense incurred by the Company on behalf of subsidiary	2.99	1.26	43.69 Receivable	-
	Amount received by subsidiary on behalf of the the Company	9.40	8.76		
	ITES services by the Company to subsidiary company	43.43	-		
Agilyst, Inc.	Sales and marketing services by step down subsidiary to the Company	-	93.09	-	-
eClerx Private Limited	Sales and marketing services by subsidiary to the Company	86.78	49.76	26.89 Payable	18.67 Payable
	ITES services by subsidiary to the Company	2.92	-		
	Amount received by the Company on behalf of the subsidiary	3.16	-		
	Expense incurred by the Company on behalf of subsidiary	1.61	0.51	3.98 Receivable	-
	Amount received by subsidiary on behalf of the Company	6.52	-		
CLX Europe S.P.A.	ITES services provided by step down subsidiary to the Company	26.82	34.07	6.79 Payable	-
	ITES services provided by the Company to step down subsidiary	104.80	58.54	10.97 Receivable	7.20 Receivable
CLX Europe Media Solutions Limited (UK)	ITES services provided by the Company to step down subsidiary	1.81	-	-	-
eClerx Employee Welfare Trust*	Loan given including accrued interest	564.89	114.57	679.46 Receivable	114.57 Receivable
*Entity under control of the Company					

Transactions with Enterprises where Key Managerial Personnel and / or relative of such personnel have significant influence:

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		Rupees in Million	Rupees in Million	Rupees in Million	Rupees in Million
Duncan Stratton & Company Limited	Rent	0.03	0.03	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at the year end are unsecured and interest free and settlement occurs through banks.

Loan to Related parties

The loan granted to eClerx Employee Welfare Trust is intended to finance purchase of shares from the open market for allotment to employees under the stock option schemes. The loan is unsecured and repayable in full. The interest rate charged is 6.41% (till September 30, 2017 : 15.85% for the financial year 2016-17 : 16.05%) . The loan has been utilised for the purpose it was granted.

Transactions with key management personnel

Name	Nature of Transaction	March 31, 2018	March 31, 2017
		Rupees in Million	Rupees in Million
Anjan Malik	Dividend	9.97	10.23
PD Mundhra	Dividend	9.97	10.22
Pradeep Kapoor	Dividend	0.01	-
V.K. Mundhra	Dividend	0.04	0.04
Rohitash Gupta	Dividend	0.01	0.06
Gaurav Tongia	Dividend	0.01	-
Biren Gabhawala	Dividend	0.01	-
Anish Ghoshal	Dividend	0.01	-
Biren Gabhawala	Commission & Sitting Fees	1.89	1.85
Anish Ghoshal	Commission & Sitting Fees	1.85	1.85
Vikram Limaye	Commission & Sitting Fees	0.36	1.79
Pradeep Kapoor	Commission & Sitting Fees	1.87	1.79
Alok Goyal	Commission & Sitting Fees	1.81	1.75
Deepa Kapoor	Commission & Sitting Fees	1.87	1.83
Shailesh Kekre	Commission & Sitting Fees	1.83	0.10
V.K. Mundhra	Buy Back of shares	2.40	2.14
PD Mundhra	Buy Back of shares	569.24	509.64
Anjan Malik	Buy Back of shares	569.56	509.93
Pradeep Kapoor	Buy Back of shares	0.45	0.95
Biren Gabhawala	Buy Back of shares	0.37	0.33
Rohitash Gupta	Buy Back of shares	0.65	3.56

	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
Compensation of key management personnel of the Company		
PD Mundhra		
Short-term employee benefits	24.15	13.80
Rohitash Gupta		
Short-term employee benefits	17.07	11.52
Share-based payment	4.98	-
Gaurav Tongia (resigned w.e.f. November 17, 2017)		
Short-term employee benefits	2.13	3.66
Share-based payment	-	0.30
Pratik Bhanushali (appointed w.e.f. January 30, 2018)		
Short-term employee benefits	0.57	-
Total compensation paid to key management personnel	**48.90**	**29.28**

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

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

34. Segment Information

The Board of Directors i.e. Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Company operates under a single reportable segment which is data management, analytics solutions and process outsourcing services. Further the risks and rewards under various geographies where the Company operates are similar in nature.

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

	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
Revenue from customers		
United States of America	7,633.58	8,573.79
United Kingdom	573.56	626.40
Europe	1,679.61	1,627.85
Asia Pacific	1,553.46	792.18
Total Revenue	**11,440.21**	**11,620.22**

The Company has three customers with revenue greater than 10% each of total company revenue totalling ₹ 5,466.67 million for the year ended March 31, 2018 and three customers with revenue greater than 10% each of total company revenue totalling ₹ 5,765.61 million for the year ended March 31, 2017.

	As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
Non - current operating assets		
Asia Pacific	692.86	975.09
Total Assets	**692.86**	**975.09**

Note: Non - current operating assets for this purpose consists of property plant and equiment, capital work in progress, other intangibles, other non - current assets and net tax assets.

35. Hedging activities and derivatives

Cash Flow Hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in US Dollars and EUROs. These forecast transactions are highly probable, and they comprise about 86% 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 with the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

Type of Hedge and Risks	Nominal Value (Rupess in Million)	Carrying amount of hedging instrument (Rupess in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
March 31, 2018					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,721.29	249.24	-	April 2018 - March 2020	68.78
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

The cash flow hedges of the expected future sales during the year ended March 31, 2018 were assessed to be highly effective and a net unrealised gain of ₹ 249.24 million, with a deferred tax liability of ₹ 68.88 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, 2017 were assessed to be highly effective and an unrealised gain of ₹ 642.27 million, with a deferred tax liability of ₹ 133.42 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, 2018, amounts to ₹ 553.77 million (March 31, 2017: ₹ 115.07 million). The amounts retained in OCI at March 31, 2018 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2019.

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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Financial investments	1,650.32	2,513.99	1,650.32	2,513.99
Foreign exchange forward contracts	249.24	642.27	249.24	642.27
Total	**1,899.56**	**3,156.26**	**1,899.56**	**3,156.26**

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 financial assets carried at fair value through profit and loss ("FVTPNL") 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, 2018, the marked-to-market value of derivative asset positions should be net of credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships recognised at fair value.

The fair value of security deposit that carries no interest is measured at the present value by discounting using the prevailing market rate of interest for a similar instrument with a similar credit rating.

37. Fair value hierarchy

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

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2018:

Rupees in Million

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Foreign exchange forward contracts	March 31, 2018	249.24	-	249.24	-
FVTPNL financial investments (refer note 36):					
Investments in Quoted Mutual Funds	March 31, 2018	1,650.32	1,650.32	-	-

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 (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (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	-	-

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 analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analyses 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, 2018.

The analyses 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 analyses:

- 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, 2018 and March 31, 2017 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, 2018 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.

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 24-month period for hedges of forecasted sales.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure with forecasted sales.

As at March 31, 2018, the Company hedged 86% (March 31, 2017: 73%) 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 USD rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2018	+5%	146.51	(12.46)
	-5%	(146.51)	12.46
March 31, 2017	+5%	113.33	(426.30)
	-5%	(113.33)	426.30

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2018	+5%	-	-
	-5%	-	-
March 31, 2017	+5%	14.16	(18.99)
	-5%	(14.16)	18.99

Equity price risk

The Company's equity price risk is minimal due to no investment in listed securities and immaterial investment in non-listed equity securities. At the reporting date, the exposure to unlisted equity securities at was ₹ 2.4 million. No sensitivity analysis done since amount is immaterial.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

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, 2018, Nil as of March 31, 2017.

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, 2018					
Other financial liabilities	-	204.08	49.66	9.47	263.21
Trade and other payables	-	720.74	16.83	4.43	742.00
	-	**924.82**	**66.49**	**13.90**	**1,005.21**
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**

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, 2018 and March 31, 2017.

40. 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'.
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
Trade Payables, Other Liabilities, Provisions	
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 statements.

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.

41. Buyback of shares

The Board of Directors vide their meeting dated December 22, 2017 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 January 23, 2018. The Company concluded the said buyback of 1,290,000 Equity Shares of ₹ 10 each, at a buyback price of ₹ 2,000 per share and total buyback amount of ₹ 2,580 million. The settlement date for the said buyback was March 13, 2018. The shares so bought back were extinguished and the issued and paid-up capital stands amended accordingly.

42. Transfer pricing

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

43. Standards issued but not yet effective

Ind AS 115 : Revenue from contracts with customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Company plans to adopt the new standard on the required effective date using the modified retrospective method.

This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements.The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Amendments to Ind 112: Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

As at March 31, 2018, the Company does not have any interest in subsidiary which classified as held for sale.

Amendments to Ind AS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temperory differences or assets that are in scope of the amendments.

Appendix B to Ind AS 21: Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its standalone financial statements.

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
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, 2018, 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 Ind AS 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 Indian Accounting Standards ("Ind AS") 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 controls, 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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 sub-paragraph (a) of the Other Matters 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, 2018, 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.

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 ₹ 2,758.66 million and net assets of ₹ 1,586.38 million as at March 31, 2018, and total revenues of ₹ 1,661.91 million and net cash inflows of ₹ 9.25 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose 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, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, since none of the subsidiary companies are incorporated in India, no separate report on internal financial control over financial reporting is being issued with this report. We have issued a separate report on internal financial controls over financial reporting of the Holding Company with our audit report on the standalone Ind AS financial statements of the Holding Company dated May 23, 2018.

(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(c) to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018; and

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, 2018.

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

per Amit Majmudar
Partner
Membership Number: 36656

Place of Signature: Mumbai
Date: May 23, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
Assets			
Non-current assets			
Property, plant and equipment	3	654.28	700.75
Capital work in progress	3	0.90	18.54
Goodwill on consolidation	4	2,220.14	2,000.99
Other intangible assets	4	559.84	548.84
Financial assets			
Investments	6	2.40	2.40
Other financial assets	10	144.90	120.66
Derivative instruments	7	7.39	88.50
Deferred tax assets (net)	21	121.25	1.02
Other non-current assets	11	150.01	379.67
Non-current tax assets (net)		74.54	-
		3,935.65	**3,861.37**
Current assets			
Inventories	5	4.38	2.46
Financial assets			
Investments	6	1,650.32	2,513.99
Trade receivables	8	2,328.47	2,138.30
Cash and cash equivalents	9.a.	2,030.29	1,752.26
Other bank balances	9.b.	2,372.38	1,804.29
Other financial assets	10	1,237.32	1,030.26
Derivative instruments	7	241.85	553.77
Other current assets	12	499.61	244.19
Current tax assets (net)		9.97	81.53
		10,374.59	**10,121.05**
Total assets		**14,310.24**	**13,982.42**

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
		Rupees in Million	Rupees in Million
Equity and liabilities			
Equity			
Equity share capital	13	381.41	397.10
Other equity	14	11,666.05	11,756.41
Total equity attributable to shareholders of the Company		**12.047.46**	**12,153.51**
Non-controlling interests		5.35	4.46
Total equity		**12,052.81**	**12,157.97**
Non-current liabilities			
Financial Liabilities			
Borrowings	17	6.02	6.66
Deferred tax liabilities (net)	21	152.26	169.91
Employee benefit obligations	15	336.31	157.57
Other non-current liabilities	16	135.36	128.84
		629.95	**462.98**
Current liabilities			
Financial liabilities			
Borrowings	17	57.42	3.97
Trade payables	18	204.70	128.60
Other current financial liabilities	19	383.77	269.00
Other current liabilities	20	135.78	145.11
Employee benefit obligations	15	785.50	765.68
Current tax liabilities (net)		60.31	49.11
		1,627.48	**1,361.47**
Total equity and liabilities		**14,310.24**	**13,982.42**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements.

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

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
		Rupees in Million	Rupees in Million
Revenue from operations	22	13,650.62	13,300.33
Other income	23	402.31	282.00
Total Income		**14,052.93**	**13,582.33**
Expenses			
Employee benefits expense	24	6,924.56	5,935.06
Cost of technical sub-contractors		701.24	540.51
Depreciation and amortisation expense	25	482.42	517.96
Finance costs	26	0.40	0.25
Other expense	27	2,361.68	2,230.22
Total expense		**10,470.30**	**9,224.00**
Profit before exceptional items & taxes		**3,582.63**	**4,358.33**
Exceptional item - gain / (loss)	28	212.59	-
Profit before taxes		**3,795.22**	**4,358.33**
Tax expenses			
Current tax	21		
Pertaining to current year		1,016.37	1,013.93
Adjustments in respect of current income tax of previous year		(23.80)	(6.77)
Deferred tax	21	(96.77)	(188.13)
Income tax expense		**895.80**	**819.03**
Profit for the year		2,899.42	3,539.30
Attributable to:			
Shareholders of the Company		2,899.84	3,540.27
Non- controlling interest		(0.42)	(0.97)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains / (losses) on defined benefit plans	28	4.23	(30.79)
Income tax effect	21	(1.18)	-
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**3.05**	**(30.79)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

	Notes	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		(393.03)	493.24
Deferred tax liability on net movement on cash flow hedges		64.54	(133.42)
Exchange differences on translation of foreign operations		2 99.19	(204.37)
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		**(29.30)**	**155.45**
Other comprehensive income for the year, net of tax		**(26.25)**	**124.66**
Total comprehensive income for the year, net of tax		**2,873.17**	**3,663.96**
Attributable to:			
Shareholders of the Company		2,873.59	3 ,664.93
Non- controlling interest		(0.42)	(0.97)
Earnings per equity share			
Basic (Face value of ₹ 10 each)	29	73.23	87.35
Diluted (Face value of ₹ 10 each)	29	72.89	86.38
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements.

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

	Notes	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Operating activities			
Profit before tax		3,795.22	4,358.33
Adjustments to reconcile profit before tax to net cash flows by operating activities :			
Depreciation of property, plant and equipment	25	338.69	371.61
Amortisation and impairment of intangible assets	25	143.73	146.35
Share-based payment expense	24	68.61	(10.88)
Net foreign exchange differences - trade receivables		(60.81)	47.71
Net foreign exchange differences - trade payables		3.08	(0.27)
Finance cost	26	0.40	0.25
Loss on sale of assets	27	0.58	0.56
Interest income on corporate rent deposits	23	(12.41)	(13.27)
Amortised cost on corporate rent deposits		12.50	14.08
Loss / (profit) on sale of current investments	27, 23	(0.81)	2 .16
Dividend income	23	(149.79)	(133.21)
Interest income	23	(130.24)	(112.70)
Other adjustments	28	(3.05)	(30.79)
Bad debts written off	27	12.86	-
Fair value loss / (gain) on financial instruments at fair value through profit or loss	23, 27	3.99	(20.47)
Interest on income tax refund		(9.05)	-
Provision for doubtful debts	27	9.22	-
		4,022.72	**4,619.46**
Working capital adjustments:			
Increase in employee benefit obligations		198.56	64.91
(Increase) in trade receivables		(151.44)	(325.05)
Decrease / (increase) in inventories		(1.92)	2.09
Decrease / (increase) in other current and non current assets		(25.76)	8.08
(Increase) / decrease in other financial assets		(231.30)	(99.81)
(Decrease) / increase in trade payables, other current and non current liabilities and provisions		184.98	(118.67)
Cash generated by operating activities		**3,995.84**	**4,151.01**
Payment of domestic and foreign taxes (net of refunds)		(945.81)	(1,026.73)
Net cash flows from operating activities		**3,050.03**	**3,124.28**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

	Notes	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Investing activities			
Proceeds from sale of current investments		9,302.22	7,727.38
Purchase of current investments		(8,441.73)	(8,031.70)
Investment in bank deposits (having original maturity of more than three months)		(2,212.28)	(2,418.50)
Redemption/maturity of bank deposits (having original maturity of more than three months)		1,649.08	1,118.27
Payment of unclaimed dividend		(0.18)	0.37
Proceeds from sale of property, plant and equipment		1.76	1.21
Purchase of property, plant and equipment and intangibles (including capital work in progress)		(416.54)	(297.39)
Dividend received (finance income)		149.79	133.21
Interest received (finance income)		137.77	71.82
Net cash flows (used in) investing activities		**169.89**	**(1,695.33)**
Financing activities			
Proceeds from issue of equity share capital		86.95	79.53
Proceeds from equity issue pending allotment		(0.39)	2.38
Purchase of treasury shares by eClerx Employee Welfare Trust		(522.89)	(106.39)
Disbursement of dividend		(39.74)	(40.79)
Dividend distribution tax		(8.12)	(8.36)
Finance costs		(0.40)	(0.25)
Buyback of equity shares		(2,603.31)	(2,354.55)
Short term bank loan (repaid)/taken		52.81	(24.49)
Net cash flows used in financing activities		**(3,035.09)**	**(2,452.92)**
Effect of exchange fluctuation on cash and cash equivalents		93.20	(58.51)
Net increase / (decrease) in cash and cash equivalents		**278.03**	**(1,082.48)**
Cash and cash equivalents at the beginning of the year		1,752.26	2,834.74
Cash and cash equivalents at the end of the year		**2,030.29**	**1,752.26**

The accompanying notes form an integral part of the Consolidated Financial Statements.

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

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

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

a. Equity Share Capital

	No. of shares	Share Capital Rupees in Million
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 1, 2016	**40,788,686**	**407.89**
Add: Shares allotted during the year ended 31 March 2017 under the employee stock option plan (ESOP)	165,485	1.66
Less: Buyback of shares during the year	(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**
Add: Shares allotted during the year ended 31 March 2018 under the employee stock option plan (ESOP)	134,911	1.35
Less: Buyback of shares during the year (refer note 44)	(1,290,000)	(12.90)
Less: Shares held by eClerx Employee Welfare Trust	(412,547)	(4.13)
As at March 31, 2018	**38,141,422**	**381.41**

b. Other equity

For the year ended March 31, 2018

		Reserves and Surplus							Items of OCI					Rupees in Million
Particulars	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Statutory reserve	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non-controlling interest	Total
As at April 1, 2017	2.38	12.08	131.31	147.94	-	0.96	0.11	10,673.87	384.56	508.85	(105.65)	11,756.41	4.46	11,760.87
Profit for the period	-	-	-	-	-	-	-	2,899.84	-	-	-	2,899.84	(0.42)	2,899.42
Other comprehensive income (refer note 28)	-	-	-	-	-	-	-	3.05	299.19	(328.49)	-	(26.25)	-	(26.25)
Dividend and dividend tax paid (refer note 14)	-	-	-	-	-	-	-	(47.86)	-	-	-	(47.86)	-	(47.86)
Statutory reserve as per local law in overseas subsidiary (refer note 14)	-	-	-	-	-	0.15	-	-	-	-	-	0.15	1.31	1.46
Transfer to securities premium on account of exercise of stock options (refer note 14)	-	-	28.81	(28.81)	-	-	-	-	-	-	-	-	-	-
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 14)	-	-	85.98	-	-	-	-	-	-	-	-	85.98	-	85.98
Share based payment charge net off stock option cancelled / forfeited during the year (refer note 14)	-	-	-	68.81	-	-	-	-	-	-	-	68.81	-	68.81
Shares application money received during the year	86.95	-	-	-	-	-	-	-	-	-	-	86.95	-	86.95
Shares allotted during the year	(87.33)	-	-	-	-	-	-	-	-	-	-	(87.33)	-	(87.33)
Amount transfer to on account of buyback of shares (refer note 14)	-	12.90	-	-	-	-	-	(12.90)	-	-	-	-	-	-
Amount utilised on account of buy back of shares (refer note 14)	-	-	(131.30)	-	-	-	-	(2,435.80)	-	-	-	(2,567.10)	-	(2,567.10)
Buyback expenses (refer note 14)	-	-	-	-	-	-	-	(23.31)	-	-	-	(23.31)	-	(23.31)
Tax credit on exercise of options (refer note 14)	-	-	-	-	-	-	-	38.52	-	-	-	38.52	-	38.52
Shares purchased by eClerx Employee Welfare Trust	-	-	-	-	-	-	-	-	-	-	(518.76)	(518.76)	-	(518.76)
As at March 31, 2018	2.00	24.98	114.80	187.94	-	1.11	0.11	11,095.41	683.75	180.36	(624.41)	11,666.05	5.35	11,671.40

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

For the year ended March 31, 2017

	Reserves and Surplus								Items of OCI					Rupees in Million
Particulars	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	General reserve	Statutory reserve	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non-controlling interest	Total
As at April 1, 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 42)	-	-	-	-	-	-	0.01	-	-	-	-	0.01	-	0.01
Other comprehensive income	-	-	-	-	-	-	-	(30.79)	(204.37)	359.82	-	124.66	-	124.66
Cash dividends paid (refer note 14)	-	-	-	-	-	-	-	(40.79)	-	-	-	(40.79)	-	(40.79)
Dividend distribution tax on dividend (refer note 14)	-	-	-	-	-	-	-	(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 (refer note 14)	(81.02)	-	-	-	-	-	-	-	-	-	-	(81.02)	-	(81.02)
Amount transfer to 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 purchased by eClerx Employee Welfare Trust	-	-	-	-	-	-	-	-	-	-	(105.65)	(105.65)	-	(105.65)
As at March 31, 2017	2.38	12.08	131.31	147.94	-	0.96	0.11	10,673.87	384.56	508.85	(105.65)	11,756.41	4.46	11,760.87

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

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

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, 2018 were authorised for issue in accordance with a resolution of the directors on May 23, 2018.

2.A. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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 "₹" and all values are stated in ₹ 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

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, 2018.

The consolidated financial statements have been prepared on the following basis:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

c. Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

d. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.3. Summary of significant accounting policies

a. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination,

irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b. Foreign currencies

The group's consolidated financial statements are presented in Indian Rupees ("₹"), 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 ₹ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

Goodwill arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (April 1, 2015), is treated as assets of the entity rather than as assets of the foreign operation. Therefore, those assets are non-monetary items are already expressed in functional currency of the parent and no further translation differences occur.

Any goodwill arising in acquisition/business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

c. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

d. Revenue recognition

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.

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, value added tax and goods and service 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's right to receive dividend is established by the reporting date.

Government Grants

Government grants are recognised when there is reasonable assurance that grant will be received and all attached conditions will be complied with (refer note 22).

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

f. Property, plant and equipment

Property, plant and equipment ("PPE") are stated at the cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any.

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

Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the 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 provides depreciation based on same useful life of assets for all subsidiaries other than following assets in CLX group:

Block of assets	Estimated useful life (in years)
Office equipment	3-10
Furniture and fixtures	3-15
Computers	
-End user devices	3
-Servers	6
Plant and machinery	4-12
Building	50
Vehicles	4
Leasehold improvements	Lease term

No depreciation is provided on freehold land.

In case of foreign subsidiaries, certain items of property, plant and equipment are depreciated over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 ("the Act"). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the 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 softwares	1-5
Unpatented technology	7
Non-competition agreements	3
Customer relationships	9-15
Indemnification assets	3

Research and development expenses for software product

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

h. Leases

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

The Group as lessee:

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

i. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash - generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written 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-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.

Compensated absences

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

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).

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
- 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 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.

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 share holders 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.

s. Earnings per share

The earnings considered in ascertaining the Group's earnings per share comprise the net profit after tax. The number of shares used in computing basic earnings per share are the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the 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 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 ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See notes 38 and 39 for further disclosures.

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.

Rupees in Million

	Computer hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Land	Building	Plant and Machinery	Vehicles	Total
3. Property, plant and equipment									
Cost									
As at April 1, 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**
Additions	170.18	22.97	20.16	72.06	-	0.48	1.55	0.78	288.18
Disposals	(36.10)	(8.87)	(3.26)	(19.75)	-	-	-	-	(67.98)
Translation exchange difference	14.36	1.25	0.90	1.65	1.85	1.71	0.53	0.03	22.28
As at March 31, 2018	**677.00**	**310.07**	**125.81**	**476.32**	**19.63**	**17.85**	**5.81**	**2.34**	**1,634.83**
Depreciation and impairment									
As at April 1, 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**
Depreciation charge for the year	146.04	70.02	20.81	99.69	-	0.95	0.87	0.31	338.69
Disposals	(35.56)	(8.87)	(2.83)	(18.38)	-	-	-	-	(65.64)
Translation exchange difference	11.15	1.72	0.75	1.50	-	0.32	0.38	0.08	15.90
As at March 31, 2018	**424.72**	**162.54**	**55.23**	**331.09**	**-**	**2.89**	**3.28**	**0.80**	**980.55**
Net Book Value									
As at March 31, 2018	**252.28**	**147.53**	**70.58**	**145.23**	**19.63**	**14.96**	**2.53**	**1.54**	**654.28**
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, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
Leasehold improvements	0.90	17.40
Furniture & fixtures	-	1.14
	0.90	**18.54**

Rupees in Million

	Goodwill on consolidation	Other intangible assets					Total
		Computer Software	Unpatented Technology	Non-Competition Agreements	Indemnification Asset	Customer Relationship	
4. Intangible assets							
Cost							
As at April 1, 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**
Additions	44.50	29.58	29.13	-	-	24.25	127.46
Disposals	-	(0.81)	-	-	-	-	(0.81)
Translation exchange difference	174.65	0.10	14.83	6.50	2.57	79.51	278.16
As at March 31, 2018	**2,220.14**	**211.10**	**138.86**	**47.92**	**18.95**	**610.19**	**3,247.16**
Amortisation and impairment							
As at April 1, 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)
As at March 31, 2017	**-**	**129.11**	**60.26**	**26.86**	**10.62**	**65.67**	**292.52**
Additions	-	47.73	37.01	15.01	5.94	38.05	143.74
Disposals	-	(0.81)	-	-	-	-	(0.81)
Translation exchange difference	-	0.24	11.59	5.18	2.05	12.67	31.73
As at March 31, 2018	**-**	**176.27**	**108.86**	**47.05**	**18.61**	**116.39**	**467.18**
Net Book Value							
As at March 31, 2018	**2,220.14**	**34.83**	**30.00**	**0.87**	**0.34**	**493.80**	**2,779.98**
As at March 31, 2017	**2,000.99**	**53.12**	**34.64**	**14.56**	**5.76**	**440.76**	**2,549.83**

	At March 31, 2018 Rupees in Million	At March 31, 2017 Rupees in Million
Goodwill	2,220.14	2,000.99
Other intangible assets	559.84	548.84
Total	**2,779.98**	**2,549.83**

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
5.	Inventories		
	Raw materials	4.38	2.46
		4.38	**2.46**
	Financial assets		
6.	Investments		
	Non current investments (Unquoted, carried at fair value through profit and loss)		
	8,000 equity shares (March 31, 2017: 8,000 equity shares) of ₹ 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	1,650.32	2,513.99
		1,650.32	**2,513.99**
	Aggregate value of unquoted investments	2.40	2.40
	Aggregate book value of quoted investments	1,650.32	2,513.99
	Aggregate market value of quoted investments	1,650.32	2,513.99

Investments at fair value through profit or loss (fully paid) reflect investments in mutual funds and investment in Talentick Edusolutions Private Limited. For determination of fair values, refer note 38.

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
7.	Derivative instruments		
	Derivative instruments at fair value through OCI		
	Cash flow hedges		
	Foreign exchange forward contracts	249.24	642.27
	Total derivative instruments at fair value through OCI	**249.24**	**642.27**
	Current	241.85	553.77
	Non-current	7.39	88.50
		249.24	**642.27**

Derivative instruments at fair value through OCI reflect the positive change in fair value of foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable forecast sales in US dollars ("USD") and Euros ("EUR").

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
8.	Trade receivables		
	Trade receivables	2,328.47	2,138.30
		2,328.47	**2,138.30**
	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	-
	Doubtful	9.22	-
	Less: Provision for doubtful receivables	(9.22)	-
		-	**-**
	Other receivables		
	Unsecured, considered good	2,328.47	2,138.30
	Doubtful	-	-
	Less: Provision for doubtful receivables	-	-
	Total trade receivables	**2,328.47**	**2,138.30**

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.

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
9.a. Cash and cash equivalents		
Cash on hand	0.43	0.28
Balances with banks		
In current accounts	1,585.64	1,750.65
Deposits with original maturity of less than three months	400.00	-
Earmarked bank balance towards dividend	1.14	1.32
Earmarked bank balance towards fractional share payout	0.01	0.01
Earmarked bank balance towards buyback	43.07	-
	2,030.29	**1,752.26**
9.b. Other Bank balances		
Deposits with original maturity of more than three months but less than twelve months	940.82	1,675.38
Deposit with original maturity of more than twelve months	1,349.00	49.50
Deposits pledged with banks against bank guarantees	1.38	1.46
Interest receivable	75.32	70.44
Earmarked bank balances with bank	5.86	7.51
	2,372.38	**1,804.29**
	4,402.67	**3,556.55**

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 at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
10.	**Other financial assets**		
	Non-current		
	Corporate premises rent deposits	128.09	114.58
	Other deposits	16.64	6.08
	Staff accomodation rent deposits	0.17	-
		144.90	**120.66**
	Current		
	Unbilled revenue	1,139.56	946.34
	Staff accommodation rent deposits	0.45	0.93
	Recoverable expenses from client	0.58	10.29
	Other advances	96.22	72.60
	Other deposits	0.51	0.10
		1,237.32	**1,030.26**
	Break up of financial assets carried at amortised cost		
	Trade receivables (refer note 8)	2,328.47	2,138.30
	Cash and cash equivalents (refer note 9)	4,402.67	3,556.55
	Other financial assets (refer note 10)	1,382.22	1,150.92
	Total financial assets carried at amortised cost	**8,113.36**	**6,845.77**
11.	**Other non-current assets**		
	Capital advances	1.33	4.38
	Goods & Service Tax ("GST") credits	73.93	-
	Service tax and other tax credits	74.75	375.29
		150.01	**379.67**
12.	**Other current assets**		
	Prepaid expense	147.88	165.50
	Service tax and other tax credits	146.92	69.79
	Service Exports from India Scheme Licence ("SEIS") receivables	204.81	-
	Other advances	-	8.90
		499.61	**244.19**

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
13. Share Capital		
Authorised share capital		
Authorized share capital		
50,010,000 (March 31, 2017: 50,010,000) shares of ₹ 10 each	500.10	500.10
Issued, subscribed and fully paid up		
38,141,422 (March 31, 2017: 39,709,058) shares of ₹ 10 each fully paid up	381.41	397.10

(a) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 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 1,290,000 shares during the year ended March 31, 2018 (FY 2016-17:1,170,000 & FY 2013-14: 37,623) during the period of 5 years immediately preceding the balance sheet date.

(c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% Holding	Number of shares	% Holding
Anjan Malik	9,689,920	25.08%	9,974,701	25.07%
PD Mundhra	9,684,379	25.07%	9,968,997	25.06%
Matthews India Fund	2,661,931	6.89%	2,701,931	6.79%

(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.

		Rupees in Million
14.	**Other equity**	
	Securities premium account	
	As at April 1, 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)
	As at March 31, 2017	**131.31**
	Add: Premium on issue of share alloted pursuant to exercise of options	85.98
	Add: Transferred from share based payment reserve on exercise of options	28.81
	Less: Amount adjusted on account of buyback of shares	(131.30)
	As at March 31, 2018	**114.80**
	Share based payment reserve	
	As at April 1, 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 account on exercise of options	(17.55)
	As at March 31, 2017	**147.94**
	Add: Charge for the year	71.40
	Less: Reversed on stock options cancelled / forfeiture during the year	(2.59)
	Less: Transfer to securities premium on exercise of stock options	(28.81)
	As at March 31, 2018	**187.94**
	Hedging reserve	
	As at April 1, 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**
	Less: Net movement on cash flow hedges	(393.03)
	Add: Deferred tax liability on net movement on cash flow hedges	64.54
	As at March 31, 2018	**180.36**
	Capital reserve	
	As at April 1, 2016	**0.10**
	Add: On account of merger (refer note 42)	0.01
	As at March 31, 2017	**0.11**
	As at March 31, 2018	**0.11**

	Rupees in Million
Capital redemption reserve	
As at April 1, 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**
Add: Amount transferred from retained earnings on account of buyback of shares	12.90
As at March 31, 2018	**24.98**
General reserve	
As at April 1, 2016	**983.17**
Less: Amount adjusted on account of buyback of shares	(983.17)
As at March 31, 2017	**-**
As at March 31, 2018	**-**
Statutory reserve	
As at April 1, 2016	**0.70**
Add: Movement during the year	0.26
As at March 31, 2017	**0.96**
Add: Movement during the year	0.15
As at March 31, 2018	**1.11**
Foreign currency translation reserve	
As at April 1, 2016	**588.93**
Less: Movement during the year	(204.37)
As at March 31, 2017	**384.56**
Add: Movement during the year	299.19
As at March 31, 2018	**683.75**
Retained earnings	
As at April 1, 2016	**7,657.43**
Add: Profit during the year	3,540.27
Less: 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**
Add: Profit during the year	2,899.84
Add: Remeasurement gains on defined benefit plans	3.05
Less: Amount adjusted on account of buyback of shares	(2,435.80)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(12.90)
Less: Share buyback expenses	(23.31)
Less: Dividend and dividend tax paid	(47.86)
Add: Tax credit on stock option exercise	38.52
As at March 31, 2018	**11,095.41**

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
Other reserves		
Securities premium	114.80	131.31
Share based payment reserves	187.94	147.94
Hedging reserve	180.36	508.85
Capital reserve	0.11	0.11
Capital redemption reserve	24.98	12.08
General reserve	-	-
Statutory reserve	1.11	0.96
Foreign currency translation reserve	683.75	384.56
Retained earnings	11,095.41	10,673.87
	12,288.46	**11,859.68**
Share application money pending allotment		
As at March 31, 2017		**2.38**
As at March 31, 2018		**2.00**
Treasury Shares		
As at March 31, 2017		**(105.65)**
As at March 31, 2018		**(624.41)**
Dividend distribution and proposed		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: ₹ 1 per share (March 31, 2016: ₹ 1 per share)	39.74	40.79
Dividend distribution tax on final dividend	8.12	8.36
	47.86	**49.15**
Proposed dividends on equity shares:		
Cash dividend for the year ended on March 31 2018: ₹ 1 per share (March 31, 2017: ₹ 1 per share)	38.63	39.78
Dividend distribution tax on proposed dividend	7.86	8.10
	46.49	**47.88**

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, 2018.

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
15.	**Employee benefit obligations**		
	Non-current		
	Gratuity (refer note 32)	174.35	157.57
	Other employee benefits	118.36	-
	Incentive to employees	43.60	-
		336.31	**157.57**
	Current		
	Gratuity (refer note 32)	41.00	30.00
	Compensated absences	217.13	190.97
	Incentive to employees	527.37	435.44
	Other employee benefits	-	109.27
		785.50	**765.68**
16.	**Other non-current liabilities**		
	Lease equalisation reserve	135.36	128.84
		135.36	**128.84**
17.	**Borrowings**		
	Unsecured:*		
	Current borrowings	57.42	3.97
	Non current borrowings	6.02	6.66
		63.44	**10.63**

* This refers to unsecured working capital loan carrying interest rate of 0.77% to 2.75% p.a. taken by subsidiary in Italy.

18.	**Trade payables**		
	Trade payables	204.70	128.60
		204.70	**128.60**

- 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, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
19. Other financial liabilities		
Unpaid dividend	1.14	1.32
Unpaid fractional share payout	0.01	0.01
Advance billing	76.99	69.70
Accrued expense	296.64	187.70
Payables for capital expenditure	8.99	10.27
	383.77	**269.00**
Break up of financial liabilities at amortised cost		
Borrowings (refer note 17)	63.44	10.63
Trade payables (refer note 18)	204.70	128.60
Other financial liabilities (refer note 19)	383.77	269.00
	651.91	**408.23**
20. Other current liabilities		
Taxes and other liabilities	114.55	125.81
Advances from customers / other payables	13.52	5.54
Lease equalisation reserve	7.71	13.76
	135.78	**145.11**

		As at March 31, 2018 Rupees in Million	As at March 31, 2017 Rupees in Million
21.	**Income Taxes**		
	The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:		
	Consolidated statement of profit and loss:		
	Profit or loss section		
	Current income tax:		
	Pertaining to current year	1,016.37	1,013.93
	Adjustments in respect of current income tax of previous year	(23.80)	(6.77)
	Deferred tax:		
	Relating to origination and reversal of temporary differences	(96.77)	(188.13)
	Income tax expense reported in the statement of profit or loss	**895.80**	**819.03**
	OCI section		
	Deferred tax related to items recognised in OCI during in the year ended:		
	Net gain / (loss) on revaluation of cash flow hedges	64.54	(133.42)
	Net movement on remeasurement gains on defined benefit plans	(1.18)	-
	Income tax credited/ (charged) to OCI	**63.36**	**(133.42)**
	Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:		
	Accounting profit before income tax	3,795.22	4,358.33
	At Groups statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	1,313.45	1,508.33
	Tax effect of income not chargeable to tax	413.85	414.83
	Adjustments in respect of current income tax of previous year	(23.80)	(6.77)
	Utilisation of previously unrecognised MAT credit	-	179.25
	Effect of different tax rates in subsidiaries	(5.27)	(44.40)
	Non-deductible expenses for tax purposes	(32.88)	(146.39)
	Income tax expense reported in the statement of profit and loss	**895.80**	**819.03**
	At the effective income tax rate of 23.60% (March 31, 2017: 18.79%)		

	Balance Sheet		Profit & Loss	
	As at March 31, 2018	As at March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees in Million		Rupees in Million	
Deferred tax:				
Deferred tax relates to the following:				
Accelerated depreciation for tax purposes	(66.62)	(110.29)	(43.67)	(143.78)
Share based payments	18.17	(22.60)	(40.77)	22.60
Gratuity	53.22	34.11	(19.11)	(34.11)
Expenses available for offsetting against future taxable income	34.28	63.31	29.03	(44.89)
Deferred tax on revaluation of cash flow hedges	(68.88)	(133.42)	-	-
Deferred tax on net movement on remeasurement gains on defined benefit plans	(1.18)	-	-	-
Exchange difference	-	-	(22.25)	12.05
Deferred tax expense / (income)			(96.77)	(188.13)
Net deferred tax assets / (liabilities)	(31.01)	(168.89)		

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
Reflected in the balance sheet as follows:		
Deferred tax assets	121.25	1.02
Deferred tax liabilities	152.26	169.91
Deferred tax liabilities, net	(31.01)	(168.89)
Reconciliation of deferred tax assets / (liabilities) (net):		
Opening balance	(168.89)	(235.65)
Tax income / (expense) during the period recognised in profit or loss	96.77	188.13
Tax income / (expense) during the period recognised in OCI	63.36	(133.42)
Exchange difference	(22.25)	12.05
Closing balance	(31.01)	(168.89)

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, 2018 and March 31, 2017, 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.

		For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
22.	**Revenue from operations**		
	Sale of services	13,543.45	13,300.33
	Other operating revenue (refer note 22(a))	107.17	-
		13,650.62	**13,300.33**

22(a). During the financial year 2017-18, the Group has recognised net SEIS income of ₹ 121.85 million for financial year 2015-16 (on realisation basis) and ₹ 90.74 million for financial year 2016-17 (on estimation basis). The total net SEIS income for financial year 2015-16 and 2016-17 of ₹ 212.59 million has been disclosed as exceptional item. During the financial year 2017-18, based on the public notice 45/2015-2020 dated December 05, 2017 issued by Director General of Foreign Trade, the Group has accounted SEIS income of ₹ 107.17 million for the year ended March 31, 2018 under other operating revenue.

23.	**Other income**		
	Interest income on fixed deposits	130.24	112.70
	Interest income on corporate rent deposits	12.41	13.27
	Dividend	149.79	133.21
	Gain on foreign exchange fluctuation (net)	59.75	-
	Fair value gain on financial instruments (mutual funds) at fair value through profit or loss	-	20.47
	Profit on sale of current investments	0.81	-
	Miscellaneous income	41.82	2.35
	Government Grant ("PMRPY") (refer note 23(a))	7.49	-
		402.31	**282.00**

23(a). During the Financial Year 2017-18, the Company has received reimbursement of employers' contribution to Provident Fund under the Pradhan Mantri Rojgar Protsahan Yojna ("PMRPY") for new employment created. The Company has accounted the same under Other income.

24.	**Employee benefits expense**		
	Salaries, wages and bonus	6,475.58	5,623.21
	Employee stock compensation	68.61	(10.88)
	Contribution to provident and other funds	272.28	248.21
	Gratuity expense (refer note 32)	70.91	39.57
	Staff welfare expense	37.18	34.95
		6,924.56	**5,935.06**
25.	**Depreciation and amortisation expense**		
	Depreciation of tangible assets (refer note 3)	338.69	371.61
	Amortisation of intangible assets (refer note 4)	143.73	146.35
		482.42	**517.96**
26.	**Finance costs**		
	Interest on loans	0.40	0.25
		0.40	**0.25**

	For the year ended March 31, 2018 Rupees in Million	For the year ended March 31, 2017 Rupees in Million
27. Other expenses		
Cost of raw materials, consumables, spare parts and other goods	19.20	21.77
Repairs and maintenance		
Building	11.15	13.56
Others	26.08	23.41
Office base rentals	538.51	500.50
Rates and taxes	16.06	23.22
Office expenses	69.10	52.97
Housekeeping services	39.37	39.14
Security charges	53.78	55.44
Other insurance	16.59	16.43
Subscription & membership fees	41.67	33.61
Electricity	93.73	100.16
Computer and electrical consumables	210.92	180.35
Printing and stationery	10.25	10.10
Communication expense	180.38	179.92
Bad debts written off	12.86	-
Business promotion	51.29	63.43
Bank charges	11.32	15.43
Directors' sitting fees	0.76	0.99
Legal and professional charges	237.46	223.86
Loss on sale of fixed assets/asset disposed off (net)	0.58	0.56
Corporate Social Responsibility ("CSR") expenditure (refer details below)	67.70	64.44
Local conveyance	70.05	78.71
Travelling expense	525.60	403.89
Freight, transportation, port charges etc	25.37	15.30
Foreign exchange loss (net)	-	90.89
Loss on sale of current investments	-	2.16
Miscellaneous expense	16.83	19.98
Trust management fees	1.86	-
Fair value loss on financial instruments at fair value through profit or loss	3.99	-
Provision for doubtful debts	9.22	-
	2,361.68	**2,230.22**

	For the year ended March 31, 2018	For the year ended March 31, 2017
	Rupees in Million	Rupees in Million
Research and development expenditure:		
In-house research and development center ("R&D") of the Company is located in Mumbai. The aggregate expenditure on research and development activates in the in-house R&D center is as follows:		
Revenue expenditure	85.01	54.50
Capital expenditure	1.36	8.86

		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: ₹ 71.11 (March 31, 2017: ₹ 64.68) million				
For the year ended March 31, 2018				
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than above	67.70	-	67.70
For the year ended March 31, 2017				
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than above	64.44	-	64.44

		Cash flow hedge reserve	Retained earnings	Total
		Rupees in Million	Rupees in Million	Rupees in Million
28.	**Components of Other Comprehensive Income ("OCI") and exceptional items**			
	The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
	During the year ended March 31, 2018:			
	Net movement on cash flow hedges	(393.03)	-	(393.03)
	Income tax effect on net movement on cash flow hedges	64.54	-	64.54
	Remeasurement gain / (losses) on defined benefit plans	-	4.23	4.23
	Income tax effect on remeasurement gain / (loss) on defined benefit plans	-	(1.18)	(1.18)
	Exchange differences on translation of foreign operations	299.19	-	299.19
		(29.30)	**3.05**	**(26.25)**
	During the year ended March 31, 2017:			
	Net movement on cash flow hedges	493.24	-	493.24
	Income tax effect 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**

Exceptional items - gain / (loss)

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
Net SEIS income	212.59	-

During the financial year 2017-18, the Company has recognised net SEIS income of ₹ 121.85 million for financial year 2015-16 (on realisation basis) and ₹ 90.74 million for financial year 2016-17 (on estimation basis). The total net SEIS income for financial year 2015-16 and 2016-17 of ₹ 212.59 million has been disclosed as exceptional item.

29. Earnings per share ("EPS")

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

The following reflects the income and share data used in the basic and diluted EPS computations:

	As at March 31, 2018	As at March 31, 2017
	Rupees in Million	Rupees in Million
Profit attributable to equity holders of the Group:		
Continuing operations	2,899.84	3,540.27
Weighted average number of equity shares	39,601,034	40,529,968
Dilutive impact of employee stock options	184,815	455,768
Weighted average number of equity shares adjusted for the effect of dilution*	39,785,849	40,985,736
Earnings per equity share (in ₹)		
Basic	73.23	87.35
Diluted	72.89	86.38

Note: *The weighted average number of shares takes into account the weighted average effects of changes in treasury share transaction during the year.

30. Group Information

Consolidated financial statements of Group included subsidiaries listed in the table below :

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power	
			March 31, 2018	March 31, 2017
1	eClerx Limited	United Kingdom	100%	100%
2	eClerx LLC	United States of America	100%	100%
3	eClerx Private Limited	Singapore	100%	100%
4	eClerx Investments (UK) Limited	United Kingdom	100%	100%
5	CLX Europe S.P.A	Italy	100% subsidiary of eClerx Investments (UK) Limited	100% subsidiary of eClerx Investments (UK) Limited
6	Sintetik S.R.L.	Italy	100% subsidiary of CLX Europe S.P.A	100% subsidiary of CLX Europe S.P.A
7	CLX Europe Media Solution GmbH	Germany	100% subsidiary of CLX Europe S.P.A	100% subsidiary of CLX Europe S.P.A
8	CLX Europe Media Solution Limited	United Kingdom	100% subsidiary of CLX Europe Media Solution GmbH	100% subsidiary of CLX Europe Media Solution GmbH
9	CLX Thai Company Limited	Thailand	49% holding by CLX Europe S.P.A*	49% holding by CLX Europe S.P.A*
10	eClerx Employee Welfare Trust	India	Entity under control of the Company	Entity under control of the Company
11	eClerx Canada Limited	Canada	100% subsidiary of eClerx Investments (UK) Limited	100% subsidiary of eClerx Investments (UK) Limited

* This is subsidiary for the purpose of consolidation as per Ind AS 110 "Consolidated Financial Statements".

31. Impairment testing of goodwill

Goodwill acquired through business combinations pertain to Customer Operations ("CO") cash generating unit ("CGU") CLX Europe s.p.a. CGU and Twofour CGU eClerx LLC, wholly owned subsidiary of the Company, has acquired business of Twofour consulting group for ₹ 68.75 million on September 29, 2017 resulting in goodwill of ₹ 44.50 million. The Group evaluates goodwill for impairment annually. The Group performs its annual impairment test for year ended March 31, 2018 and March 31, 2017 on respective balance sheet date. The recoverable amount of above CGU exceeded its carrying amount. Following is the break-up of carrying amount of goodwill:

	March 31, 2018	March 31, 2017
	Rupees in Million	Rupees in Million
Customer Operations CGU	888.59	888.59
CLX Europe CGU	1,287.06	1,112.40
Two Four Consulting CGU	44.50	-
	2,220.15	2,000.99

Customer Operations CGU

The recoverable amount of the Customer operations CGU as on March 31, 2018 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five year period. The projected cashflows have been updated to reflect the expected demand for these services. The growth rate used to extrapolate the cash flows of the CGU for the five-year period is 11% (March 31, 2017 : 12%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (March 31, 2017: 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 32.17% (March 31, 2017 : 30.14%) . 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, 2018 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 5-12% (March 31, 2017 : 5- 10%). The growth rate used to extrapolate the cash flows of the unit beyond the three-year period is 1% (March 31, 2017: 0%). 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 in the range of 6.9-8.1% for its units in different countries. (March 31, 2017 : 6.7 - 8.2 %). As a result of the analysis, the management did not identify any impairment for this CGU.

TwoFour Consulting Goodwill

The recoverable amount of TwoFour Consulting as on March 31, 2018 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five year period. The projected cash flows have been updated to reflect the expected demand for these services.The growth rate used to extrapolate the cash flows of the Company for the five year period is 5%. The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 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 in the range of 17.20% for its units in different countries. As a result of the analysis, the management did not identify any impairment for the Company.

Key assumptions used for value in use calculations

The calulation of value in use for CGUs are most sensitive to following assumptions:

Growth rate estimates: These are based on growth budgeted as per business plan. The management factors industry and segment growth rate including global business and economic uncertainities.

Margins & Costs: These are based on average margins achieved historically and adjusted for anticipated effciencies and planned expansions.

Discount Rates: They represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account equity and debt where the CGU has a borrowing. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest borrowings the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect the pre-tax discount rate.

32. Gratuity benefit plans

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, the employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The gratuity scheme is managed by a trust which regularly contributes to insurance service provider which manages the funds of the trust . The fund's investments are managed by certain insurance companies as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations. The Company recognises actuarial gains and losses immediately in other comprehensive income, net of taxes.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet:

	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Current service cost	34.25	28.92
Past Service cost	23.30	-
Interest cost on benefit obligation	13.67	11.15
Return on plan assets (excluding amounts included in net interest expense)	(0.31)	(0.50)
	70.91	**39.57**

	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, 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	**40.07**	**0.50**	**39.57**
Benefits paid			
from fund	(26.37)	(26.37)	-
paid by employer	-	-	-
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	13.28	-	13.28
Experience adjustments	17.51	-	17.51
Sub-total of remeasurement losses / (gains) included in OCI	**30.79**	**-**	**30.79**
Contributions by employer	-	25.00	(25.00)
Employee benefit liability as at March 31, 2017	**191.47**	**3.90**	**187.57**

	Defined benefit obligation Rupees in Million	Fair value of plan assets Rupees in Million	TOTAL Rupees in Million
Employee benefit liability as on April 1, 2017	**191.47**	**3.90**	**187.57**
Gratuity cost charged to statement of profit and loss			
Service cost	34.25	-	34.25
Past service cost	23.30	-	23.30
Net interest expense	13.67	-	13.67
Return on plan assets (excluding amounts included in net interest expense)	-	0.31	(0.31)
Sub-total included in statement of profit and loss	**71.22**	**0.31**	**70.91**
Benefits paid			
from fund	(33.49)	(33.49)	-
paid by employer	-	-	-
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in financial assumptions	(16.29)	-	(16.29)
Experience adjustments	12.06	-	12.06
Sub-total of remeasurement losses / (gains) included in OCI	**(4.23)**	**-**	**(4.23)**
Contributions by employer	-	38.90	(38.90)
Benefit liability as on March 31, 2018	**224.97**	**9.62**	**215.35**

	March 31, 2018 %	March 31, 2017 %
The principal assumptions used in determining gratuity obligations of the Company are shown below:		
Discount rate:	7.56	7.12
India gratuity plan		
Future salary increases:		
India gratuity plan	7.00	7.00
Assumption:		
Expected return on plan assets	7.56	7.12
Employee turnover:		
a. For service 4 years and below (p.a.)	30.00	30.00
b. For service 5 years and above (p.a.)	2.00	2.00

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

	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
A quantitative sensitivity analysis for significant assumption is as shown below:		
India gratuity plan:		
Effect of +1% Change in discount rate	(31.87)	(28.46)
Effect of -1% Change in discount rate	39.22	35.38
Effect of +1% Change in future salary increases	34.04	27.59
Effect of -1% Change in future salary increases	(29.08)	(24.17)
Effect of +1% Change in employee turnover	2.80	2.12
Effect of -1% Change in employee turnover	(3.38)	(2.61)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Within the next 12 months (next annual reporting period)	6.97	5.54
Between 2 and 5 years	24.79	20.50
Between 5 and 10 years	43.49	34.49
Total expected payments	**75.25**	**60.53**

The average duration of the defined benefit plan obligation at the end of the reporting period is 18 years (31 March 2017: 19 years).

33. Share-based payments

Employee Stock Option Plan

Under the employee stock option plan, the Company, grants options to senior executive employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Commitee. Vesting period is three years from the date of grant. Further, vesting of certain portion of the stock options is dependent on the Compounded Annual Growth Rate of the organic operating revenues of the Company.The fair value of the stock options is estimated at the grant date using a Black and Scholes model, taking into account the terms and conditions upon which the share options were granted. The contractual term of each option granted is six years. There are no cash settlement alternatives. The Company does not have a past practice of cash settlement of these options.

The expense recognised for employee services received during the year is shown in the following table:

	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Expense arising from equity-settled share-based payment transactions	68.61	(10.88)
	68.61	**(10.88)**

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 current year 2017-18, 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, 2018 No. of options	March 31, 2018 WAEP	March 31, 2017 No. of options	March 31, 2017 WAEP
Outstanding at the beginning of the year	16,401	517.70	55,867	506.52
Forfeited during the year	6,535	517.70	-	-
Exercised during the year	9,866	517.70	39,466	501.88
Outstanding at the end of the year	**-**	**517.70**	**16,401**	**517.70**
Exercisable at the end of the year	-		16,401	

The weighted average share price at the date of exercise of these options was ₹ 1,376 per share. (March 31, 2017: ₹ 1,465)

ESOP 2011 scheme:

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

Movements during the year:

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the year under ESOP 2011 scheme

	March 31, 2018 No. of options	March 31, 2018 WAEP	March 31, 2017 No. of options	March 31, 2017 WAEP
Outstanding at the beginning of the year	1,281,074	978.19	1,988,055	857.24
Forfeited during the year*	409,222	1,097.16	580,962	671.14
Exercised during the year *	125,045	657.59	126,019	485.67
Outstanding at the end of the year*	**746,807**	**1,006.10**	**1,281,074**	**978.19**
Exercisable at the end of the year	219,317		162,504	

The weighted average share price at the date of exercise of these options was ₹ 1,319 per share. (March 31, 2017: ₹ 1,444).

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 2.92 years (March 31, 2017: 2.68 years).

The range of exercise prices for options outstanding at the end of the year was ₹ 463.91 to ₹ 1,196.25 (March 31, 2017: ₹ 463.91 to ₹1,196.25).

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

ESOP 2015 scheme:

Pursuant to the applicable requirements of the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('the SEBI guidelines'), the Company had framed and instituted Employee Stock Option Plan 2015 ("ESOP 2015") to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

ESOP 2015 envisages an ESOP trust which is authorised for secondary acquisition and accordingly during the year under review, ESOP Trust has bought 412,547 shares (in financial year 2016-17: 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, 2018 No. of options	March 31, 2018 WAEP	March 31, 2017 No. of options	March 31, 2017 WAEP
Outstanding at the beginning of the year	299,208	1,379.15	-	-
Granted during the year	382,663	1,294.00	324,162	1,379.15
Forfeited during the year	48,466	1,348.34	24,954	1,379.15
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**633,405**	**1,327.87**	**299,208**	**1,379.15**
Exercisable at the end of the year	-		-	

These options are not yet vested as of March 31, 2018.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2018 was 5.07 years. (March 31, 2017: 5 years)

The range of exercise prices for options outstanding at the end of the year was ₹ 1,294 to ₹ 1,379.15 (March 31, 2017: ₹ 1,379.15).

The weighted average fair value of options granted during the year was ₹ 455.97 (March 31, 2017: ₹ 462.43).

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

The following tables list the inputs to the models used for fair valuation of the options:

	For the year ended March 31,2018	For the year ended March 31,2017
Date of grant	May 30, 2017	May 20, 2016
Dividend yield (%)	0.08	2.41
Expected volatility (%)	32.03	33.26
Risk–free interest rate (%)	6.74	7.29
Expected life of share options (years)	3.85	3.87
Model used	Black and Scholes	Black and Scholes
Stock price (₹)	1,294.00	1,450.25
Exercise Price (₹)	1,294.00	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, 2018 Rupees in Million	March 31, 2017 Rupees in Million
a. Leases		
Operating lease commitments — Group as lessee		
The Group has entered into operating leases for office facilities and residential premises for employees, with lease terms that are renewable on a yearly basis, cancellable at its option and other long term leases. The Group has the option, under some of its leases, to renew the lease the assets for additional terms.		
Lease payments recognised in the statement of profit and loss	538.51	500.50
Future minimum lease payments for non-cancellable operating leases		
Within one year	116.76	110.45
After one year but not more than five years	190.22	104.17
	306.98	**214.62**

	March 31, 2018 Rupees in Million	March 31, 2017 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)	23.87	15.24
c. Contingent liabilities		
Income tax demands (refer note a)	101.76	78.77
Indirect tax demands (refer note b)	141.10	12.02

Notes:

(a) The Company has received income tax demands amounting to ₹ 101.76 million (excluding interest) for financial years 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 against which appeals are pending with Commissioner of Income Tax (Appeals) and Income Tax Appelate Tribunal.

(b) The Company has received service tax demands amounting to ₹ 141.10 million (excluding interest and penalties) for the period April 2007 to March 2013 against which appeals are pending with Commissioner of Central Excise & CGST (Appeals) and Central Excise and Service Tax Appelate Tribunal.

With respect to tax refund claims for the period April 2012 till March 2017 to the extent rejected by the services tax deparment for ₹ 12.58 million, the Company's appeals are pending before the Commissioner of Central Excise & CGST (Appeals).

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

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. Pradeep Kapoor (Non-Executive Director - Chairman)
2. PD Mundhra (Executive Director)
3. Anjan Malik (Non-Executive Director)
4. Rohitash Gupta (Chief Financial Officer)
5. Pratik Bhanushali (Company Secretary) appointed w.e.f January 30, 2018
6. Biren Gabhawala (Non-Executive Independent Director)
7. Anish Ghoshal (Non-Executive Independent Director)
8. Vikram Limaye (Non-Executive Independent Director) resigned w.e.f June 10, 2017
9. Alok Goyal (Non-Executive Independent Director)
10. Deepa Kapoor (Non-Executive Independent Director)
11. Shailesh Kekre (Non-Executive Independent Director)
12. Gaurav Tongia (Company Secretary) resigned w.e.f. November 17, 2017
13. V.K. Mundhra (Non-Executive Director-Chairman) resigned w.e.f. November 1, 2017

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

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

Transactions with Enterprises where Key Managerial Person and / or relative of such personnel have significant influence:

Rupees in Million

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Duncan Stratton & Company Limited	Rent	0.03	0.03	-	-

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.There have been no guarantees provided or received for any related party receivables or payables.

Transactions with key management personnel

Name	Nature of Transaction	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Anjan Malik	Dividend	9.97	10.23
PD Mundhra	Dividend	9.97	10.22
Pradeep Kapoor	Dividend	0.01	-
V.K. Mundhra	Dividend	0.04	0.04
Rohitash Gupta	Dividend	0.01	0.06
Gaurav Tongia	Dividend	0.01	-
Biren Gabhawala	Dividend	0.01	-
Anish Ghoshal	Dividend	0.01	-
Biren Gabhawala	Commission & Sitting Fees	1.89	1.85
Anish Ghoshal	Commission & Sitting Fees	1.85	1.85
Vikram Limaye	Commission & Sitting Fees	0.36	1.79
Pradeep Kapoor	Commission & Sitting Fees	1.87	1.79
Alok Goyal	Commission & Sitting Fees	1.81	1.75
Deepa Kapoor	Commission & Sitting Fees	1.87	1.83
Shailesh Kekre	Commission & Sitting Fees	1.83	0.10
V.K. Mundhra	Buy Back of shares	2.40	2.14
PD Mundhra	Buy Back of shares	569.24	509.64
Anjan Malik	Buy Back of shares	569.56	509.93
Pradeep Kapoor	Buy Back of shares	0.45	0.95
Biren Gabhawala	Buy Back of shares	0.37	0.33
Rohitash Gupta	Buy Back of shares	0.65	3.56

Compensation of key management personnel of the Group

	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Anjan Malik		
Short-term employee benefits	24.26	14.02
PD Mundhra		
Short-term employee benefits	24.15	13.80
Rohitash Gupta		
Short-term employee benefits	17.07	11.52
Share-based payment	4.98	-
Gaurav Tongia (resigned w.e.f. November 17, 2017)		
Short-term employee benefits	2.13	3.66
Share-based payment	-	0.30
Pratik Bhanushali (appointed w.e.f. January 30, 2018)		
Short-term employee benefits	0.57	-
Total compensation paid to key management personnel	**73.16**	**43.30**

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.

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

	For the year ended	
	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Revenue from external customers		
United States of America	8,196.74	8,797.40
United Kingdom	599.92	999.35
Europe	3,163.94	2,609.04
Asia Pacific	1,690.02	894.54
Total Revenue	**13,650.62**	**13,300.33**

The Group has three customers with revenue greater than 10% each of total group revenue totalling ₹ 5,602.51 million for the year ended March 31, 2018 and four customers with revenue greater than 10% each of the group revenue totalling ₹ 6,955.31 million for the year ended March 31, 2017.

	As at	
	March 31, 2018 Rupees in Million	March 31, 2017 Rupees in Million
Non -Current operating assets		
United States of America	1,036.64	958.73
United Kingdom	17.01	17.36
Europe	1,905.10	1,697.29
Asia Pacific	700.96	975.41
Total Assets	**3,659.71**	**3,648.79**

Note: Non - current operating assets for this purpose consists of property plant and equiment, capital work in progress, other intangibles, other non - current assets and net tax assets.

37. Hedging activities and derivatives

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in USD and EUR. These forecast transactions are highly probable, and they comprise about 65.13% 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.

Type of Hedge and Risks	Nominal Value (Rupees in Million)	Carrying amount of hedging instrument (Rupees in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
March 31, 2018					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,721.29	249.24	-	April 2018- March 2020	68.78
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 - EUROS	439.21	59.33	-	April 2017 - March 2018	82.71

The cash flow hedges of the expected future sales during the year ended March 31, 2018 were assessed to be highly effective and a net unrealised gain of ₹ 249.24 million, with a deferred tax liability of ₹ 68.88 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, 2017 were assessed to be highly effective and an unrealised gain of ₹ 642.27 million with a deferred tax liability of ₹ 133.42 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, 2018, amounts to ₹ 553.77 million (March 31, 2017: ₹ 115.07 million). The amounts retained in OCI at March 31, 2018 are expected to mature and affect the statement of profit and loss during the year ended March 31, 2019.

38. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rupees in Million

	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Fair value through profit or loss (FVTPNL) financial investments	1,650.32	2,513.99	1650.32	2,513.99
Foreign exchange forward contracts	249.24	642.27	249.24	642.27
Total	**1,899.56**	**3,156.26**	**1899.56**	**3,156.26**

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 financial assets carried at fair value through profit and loss ("FVTPNL") 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, 2018, the marked-to-market value of derivative asset positions should be net of credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships recognised at fair value.

The fair value of security deposit that carries no interest is measured at the present value by discounting using the prevailing market rate of interest for a similar instrument with a similar credit rating.

39. Fair value hierarchy

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

Quantitative disclosures of fair value measurement hierarchy for assets as at March 31, 2018:

Rupees in Million

			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, 2018	249.24	-	249.24	-
FVTPNL financial investments (Note 38):					
Investments in quoted mutual funds	March 31, 2018	1,650.32	1,650.32	-	-

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

Rupees in Million

			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	-	-

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, 2018 and March 31, 2017.
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, 2018.
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, 2018 and March 31, 2017 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, 2018 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.
When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure with forecasted sales

As at 31 March 2018, the Group hedged 65.13 % (March 31, 2017: 67.83 %) 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 demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2018	+5%	146.51	(12.46)
	-5%	(146.51)	12.46
March 31, 2017	+5%	113.33	(426.30)
	-5%	(113.33)	426.30

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
		Rupees in Million	Rupees in Million
March 31, 2018	+5%	-	-
	-5%	-	-
March 31, 2017	+5%	14.16	(18.99)
	-5%	(14.16)	18.99

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 ₹ 2.4 million. No sensitivity analysis done since amount is immaterial

II: **Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.

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, 2018, Nil as of March 31, 2017.

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.

Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintian sufficient liquidity and ensure that funds are available for use as per requirements. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Rupees in Million

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended March 31, 2018					
Other financial liabilities	-	308.19	123.53	15.49	447.21
Trade and other payables	-	200.85	3.21	0.64	204.70
	-	**509.04**	**126.74**	**16.13**	**651.91**
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**

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, 2018 and March 31, 2017.

42. 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 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 dated 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, 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., has 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 Interests Method' prescribed under the'Ind AS 103' Business Combination.

4. All assets, liabilities and reserves in the books of Agilyst Inc. has been transferred to the eClerx LLC., at their respective carrying values as on the appointed date as summarised below:

Particulars	Ruppes in million
Total Assets	**448.19**
Less: Liabilities	**20.86**
Net worth of Agilyst Inc. as on January 1, 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**

43. 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.

44. Buyback of shares

The Board of Directors vide their meeting dated December 22, 2017 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 January 23, 2018. The Company concluded the said buyback of 1,290,000 equity shares of ₹ 10 each, at a buyback price of ₹ 2,000 per share and total buyback amount of ₹ 2,580 million. The settlement date for the said buyback was March 13, 2018. The shares so bought back were extinguished and the issued and paid-up capital stands amended accordingly.

45. Transfer pricing

The Group is required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting a transfer pricing study to determine whether transactions with associated enterprises are undertaken, during the financial year, on an arms length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms length and hence, the aforesaid legislations will not have any impact on the consolidated financial statements

46. Standards issued but not yet effective

Ind AS 115 : Revenue from contracts with customers

Ind AS 115 was issued on March 28, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Group plans to adopt the new standard on the required effective date using the modified retrospective method.

This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (April 1, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements.The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Amendments to Ind 112 : Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Group that is classified) as held for sale.

As at March 31, 2018, the Group does not have any interest in subsidiary which is classified as held for sale.

Amendments to Ind AS 12 : Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after April 1, 2018. These amendments are not expected to have any impact on the Group as the Group has no deductible temperory differences or assets that in scope of the amendments.

Appendix B to Ind AS 21: Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Group's current practice is in line with the interpretation, the Group does not expect any effect on its consolidated financial statements.

Rupees in million

Name of the Entity	Net assets*	%	Share in profit or (loss)*	%	Share in other comprehensive income*	%	Share in total comprehensive income*	%
47. Summary of Net Assets and Share in Profit or loss of the Group								
March 31, 2018								
Parent								
eClerx Services Limited	10,953.49	91%	2,781.19	96%	(325.44)	1240%	2,455.75	97%
Subsidiaries								
Foreign								
eClerx LLC	755.79	6%	58.67	2%	(0.62)	2%	58.05	2%
eClerx Limited	190.52	2%	18.29	1%	12.59	-48%	30.88	1%
eClerx Private Limited	64.96	1%	27.70	1%	2.59	-10%	30.29	1%
eClerx Investments (UK) Limited	1,834.72	15%	85.40	3%	-	0%	85.40	3%
CLX Europe S.P.A	1,462.01	12%	(18.23)	-1%		0%	(18.23)	-1%
Sintetik S.R.L.	1.95	0%	(0.66)	0%	-	0%	(0.66)	0%
CLX Europe Media Solution GmbH	203.43	2%	16.05	1%	-	0%	16.05	1%
CLX Europe Media Solution Limited	80.27	1%	(0.86)	0%	-	0%	(0.86)	0%
eClerx Canada Limited	(1.24)	0%	(3.78)	0%	-	0%	(3.78)	0%
CLX Thai Company Limited	10.89	0%	0.35	0%	-	0%	0.35	0%
Non controlling Interest								
CLX Thai Company Limited	5.35	0%	(0.42)	0%	-	0%	(0.42)	0%
Controlled trust								
eClerx Employee Welfare Trust	(33.81)	0%	(28.65)	-1%	-	0%	(28.65)	-1%
Adjustment arising out of consolidation	(3,475.52)	-29%	(35.63)	-1%	284.63	-1084%	249.00	9%
Total	**12,052.81**	**100%**	**2,899.42**	**100%**	**(26.25)**	**100%**	**2,873.17**	**100%**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2018

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, 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%	(0.01)	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	15%	(17.72)	25%	158.19	4%
Total	**12,157.97**	**100%**	**3,540.27**	**100.00%**	**124.66**	**100%**	**3,664.93**	**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

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

Pradeep Kapoor
Chairman

PD Mundhra
Executive Director

Anjan Malik
Director

Biren Gabhawala
Director

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: May 23, 2018

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

eClerx

eClerx Services Limited

CIN: L72200MH2000PLC125319
Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai 400 023, Maharashtra, India.
Phone no.: +91 (22) 66148301 Fax No: +91 (22) 6614 8655
Email: investor@eClerx.com Website: www.eClerx.com

REQUEST FOR ENROLMENT UNDER GREEN INITIATIVE

Dear Shareholder,

As you are aware, the Ministry of Corporate Affairs ("MCA") and Securities Exchange Board of India have taken a lead in "Green Initiative" by allowing listed companies to supply soft copies of Annual Reports and other communications to all those 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 note from our records that you have not registered any email id with the Company/Depository. Request if you could register your present/valid email id 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 investor@eClerx.com.

Thanking you,

For eClerx Services Limited,

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

PROXY FORM

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

eClerx

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

18TH ANNUAL GENERAL MEETING - WEDNESDAY, AUGUST 29, 2018

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

1. Name : .....

   Address: .....

   E-mail Id: .....

   Signature: ..... or failing him/her

2. Name : .....

   Address: .....

   E-mail Id: .....

   Signature: ..... or failing him/her

3. Name : .....

   Address: .....

   E-mail Id: .....

   Signature: ..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company, to be held on the August 29, 2018 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, 2018, together with the Reports of the Board of Directors and the Auditors thereon;t			
b.	The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Auditors thereon;			
2	To declare dividend for the year ended March 31, 2018 @ ₹ 1/- per share.			
3	To appoint a Director in place of Anjan Malik [DIN: 01698542], who retires by rotation and being eligible, offers himself for re-appointment.			

Signed this _____ day of _____ 2018

Affix Revenue Stamp

_____ _____

Signature of shareholder Signature of Proxy holder(s)

eClerx

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

eClerx Services Limited

CIN: L72200MH2000PLC125319
Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai 400 023, Maharashtra, India.
Phone no.: +91 (22) 66148301 Fax No: +91 (22) 6614 8655
Email: investor@eClerx.com Website: www.eClerx.com

SHAREHOLDER'S SATISFACTION SURVEY FORM – 2018

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.

Thank You,

For eClerx Services Limited

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Name & Address of the Shareholder	
Folio No. / DP ID / Client ID	

Kindly put a tick in relevant columns below:

ATTRIBUTES	Please indicate your satisfaction level		
	DELIGHTED	SATISFIED	DISSATISFIED
Transfer/Transmission/Demat/ Remat of Shares			
Issue of Duplicate Share Certificates			
Buyback of equity Shares 2018			
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 2017-18			
Please give your overall rating of our investor service (1 to 5 where 1 = highly dissatisfied and 5 = highly satisfied)			
Did you find the e-mail id investor@eClerx.com for redressal of Investors' Grievances useful?	YES / NO		
Give details of outstanding grievances, if any			
Any suggestions?			

Date:

_____

Signature

Disclaimer: eClerx will keep the information provided by you as confidential and it will not be used in any way that is detrimental to you.

Notes

Notes

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.

Tata Mumbai Marathon 2018



Bakery Inaugration at Shanti Niketan, Chandigarh



Library Inaugration in a
Mumbra Government School, Mumbai



SAMPARC Heritage Walk, Pune





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.eClerxCustomerOperations.com | www.eClerxDigital.com | www.eClerxMarkets.com

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https://twitter.com/eClerx

Designed by eClerx Communication Design Team
Printed at Parksons Graphics