eClerx/SECD/SE/2021/060

September 7, 2021

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,

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

Sub: Annual Report for FY2021 along with the Notice of the 21st Annual General Meeting ('AGM') of the Company

Pursuant to Regulation 34 of the Listing Regulations, please find enclosed the Annual Report for FY2021 together with the Notice of the 21st AGM of the Company to be held on **Wednesday, September 29, 2021**, at **12.30 p.m. IST** through Video Conferencing or Other Audio Visual Means.

Pursuant to General Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by SEBI, the Annual Report for FY2021 along with the Notice of 21st AGM is being sent electronically to all the Members of the Company whose email addresses are registered with the Company/Depository Participant(s).

The Notice of AGM along with the Annual Report for FY2021 is also being uploaded on the website of the Company viz. www.eclerx.com.

This is for your information and record.

Thanking you,

Yours truly,
For **eClerx Services Limited**

pratik.bhanushali@eclerx.com Digitally signed by pratik.bhanushali@eclerx.com DN: cn=pratik.bhanushali@eclerx.com Date: 2021.09.07 23:26:40 +05'30'

eClerx Services Limited Mumbai

Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Encl: A/a

2020-21

eClerx

ANNUAL REPORT

A DATA ANALYTICS & PROCESS MANAGEMENT COMPANY

www.eClerx.com

CONTENT

CONTENT

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

WHO WE ARE

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

eClerx provides business process management, automation and analytics services to a number of Fortune 2000 enterprises, including some of the world's leading financial services, communications, retail, fashion, media & entertainment, manufacturing, travel & leisure, and technology companies.

Incorporated in 2000, eClerx is today traded on both the Bombay and National Stock Exchanges of India. The firm employs 12,000 people across Australia, Canada, Germany, India, Italy,Netherlands, Philippines, Singapore, Thailand, UK, and the USA.

SERVICES

- Offices in the US, UK, India, Europe, Singapore, Thailand & Philippines
- 12,000 Analysts, Project Managers, Specialists, and Consultants Across the Globe
- Fortune 2000 Companies Served Globally
- $250MM+ in Revenue across Financial Markets, Digital, and Customer Operations

Values define our organization; they are our guiding principles. eClerx stands for **EPIC** – Excellence, People, Integrity & Client.

OUR VALUES

EXCELLENCE

Be passionate and commit to doing your best.

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

PEOPLE

Invest in people and bring out the best in them.

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

INTEGRITY

Maintain the highest standards of ethics, integrity and fairness.

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

CLIENT

Make clients the focus of what you do.

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

Our core values are instrumental to our work culture. They are an inherent part of the organization's decision-making process and a driving force to create a real sense of community across all our offices. Our focus on excellence, our people, maintaining the highest standards of integrity, and client-centricity makes eClerx a long-lasting, successful, and motivating place to work.

WHAT WE DO

CUSTOMER OPERATIONS

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

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

DIGITAL

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

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

FINANCIAL MARKETS

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

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

AWARDS & RECOGNITION

2021

Won
The AIM Award – Top 50 Firms in India for Data Scientists To Work For

Won
Gold at ASQ International – One of the most coveted awards in Quality globally

Recognized with
Three Global Brandon Hall Excellence Awards in learning and development

2020

Recognized as a
Finalist at the GSA UK 2019 Awards

Won the
CII's National Competition on Lean

Winner of the
CYPHER Data Science award for 'AI in Travel and Tourism' category

2019

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

eClerx Services Ltd.
Received Prestigious 2019 CSO50 Award

eClerx Customer Operations Awarded
Two 2019 CRM Excellence Awards

eClerx Recognized With
Two Brandon Hall Awards

Won the
Prestigious NASSCOM Customer Excellence Award for RPA Implementation

2018

Won the
2018 Brandon Hall group excellence awards in learning and development

eClerx's 'eVigilPRo' recieved the
Prestigious 2018 cso50 award

Won the 2018
Golden peacock awards, 2018 for Quality

eClerx's Chatbot Solution Won
Prestigious Nasscom award for it excellence

OUR LOCATIONS

CORPORATE OFFICE

INDIA

eClerx Services Limited
4th Floor, Express Towers,
Nariman Point,
Mumbai – 400 021.
Maharashtra, India.

Phone: +91 (022) 6614 8300

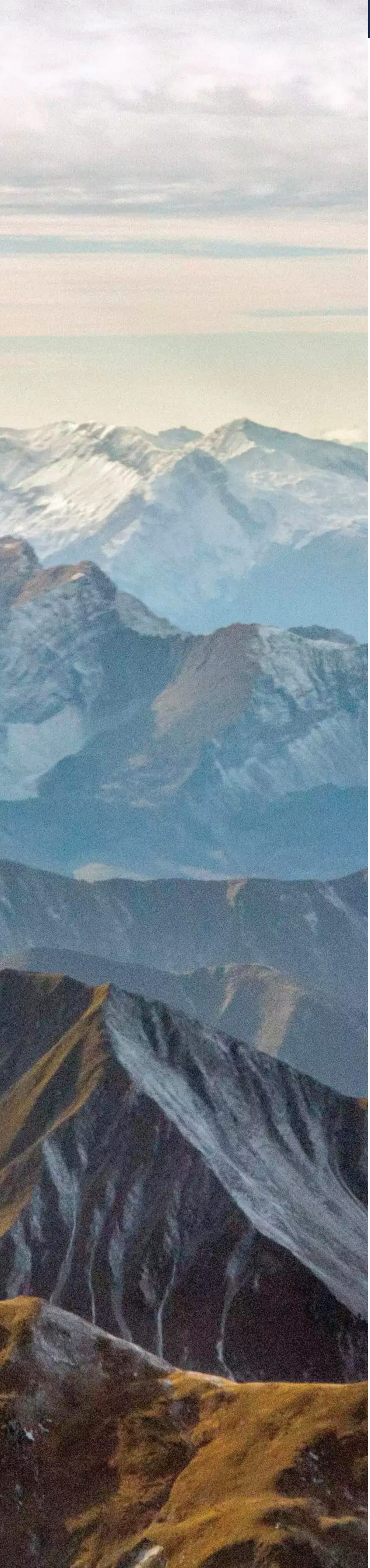
REGISTERED OFFICE

INDIA

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



MUMBAI

Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023
Maharashtra, India.

4th Floor, Express Towers, Nariman Point,
Mumbai – 400 021.

Building # 11, 4th, & 5th Floor,
K Raheja Mindspace, Plot #3,
TTC Industrial Area, Thane Belapur Road,
Airoli, Navi Mumbai – 400 708,
Maharashtra, India.

Building #14, 4th & 5th Floor,
K Raheja Mindspace, Plot #3, TTC
Industrial Area, Thane Belapur Road,
Airoli, Navi Mumbai – 400 708,
Maharashtra, India.

CHANDIGARH

1st and 2nd Floor, Towers A & B,
DLF Info City Developer,
Rajiv Gandhi Chandigarh Technology
Park, Kishangarh,
Chandigarh – 160 101, India.

PUNE

Block 01, LG, 1st, 2nd, 3rd and 4th Floor,
Quadron Business Park, Rajiv Gandhi
Infotech Park, Hinjewadi Phase 2,
Pune – 411 057, Maharashtra, India.

GURUGRAM

8th Floor, Tower B&C, Building No. 6,
DLF Cyber City, DLF Phase III,
Gurugram, Haryana 122002.

COIMBATORE

1st Floor, Tidel IT Park, ELCOT – SEZ
Module 101, 2, Villankurichi Rd,
Coimbatore, Tamil Nadu 641014.

NEW YORK

286 Madison Avenue, 14th Floor,
New York, NY 10017,
United States of America.

FAYETTEVILLE

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

AUSTIN

8601 Ranch Rd, 2222 #450,
Austin, TX 78730,
United States of America.

PHILADELPHIA

1880 John F Kennedy Blvd, Suite 400,
Philadelphia, PA 19103,
United States of America.

LONDON

1 Dover Street, 1st Floor,
London, W1S 4LA,
United Kingdom.

HAMBURG

eClerx CLX, Barmbeker Str. 8,
22303 Hamburg,
Germany.

VERONA

eClerx CLX, Via dell'Artigianato, 8A
37135 Verona, Italy.

MILAN

eClerx CLX, Via Donatello, 30
20131, Milan, Italy.

SINGAPORE

152 Beach Road, #14-05/06,
Gateway East,
Singapore 189721.

PHUKET

eClerx CLX, Chaofa Rd, Palai Soi 2 44,
Moo Chalong, Sub-District Muang,
Phuket, Thailand.

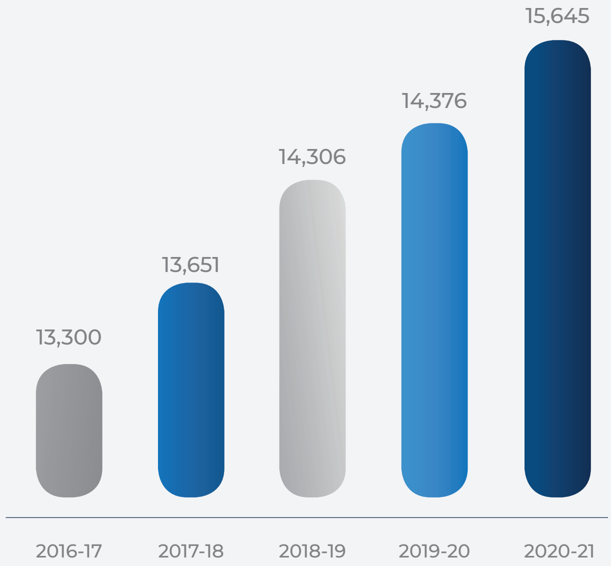
MANILA

6F Aeon Center Bldg., North Bridgeway,
Northgate Cyberzone, Alabang,
Muntinlupa, 1781 Metro Manila,
Philippines.

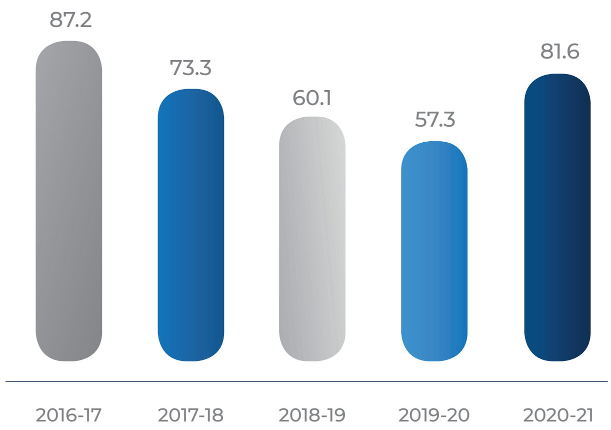
FINANCIAL HIGHLIGHTS

PARTICULARS (Rupees in Million)	2020-21	2019-20	2018-19	2017-18	2016-17
Income From Operations	15,644.91	14,375.71	14,305.93	13,650.62	13,300.33
Other Income	344.54	467.05	485.92	402.31	282.00
Earnings Before Interest, Depreciation, Taxes & Amortisation	4,824.88	3,702.24	3,562.05	4,065.45	4,876.54
Tax Expenses	977.97	715.47	831.73	895.80	819.03
Profit After Tax	2,828.21	2,089.72	2,283.01	2,899.42	3,539.30
Equity Share Capital	340.06	361.00	377.90	381.41	397.10
Reserves	14,677.08	12,707.26	13,440.93	11,671.40	11,760.87

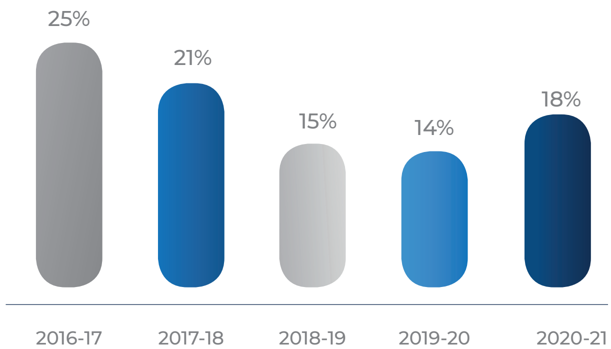
OPERATING REVENUE
(RUPEES IN MILLION)



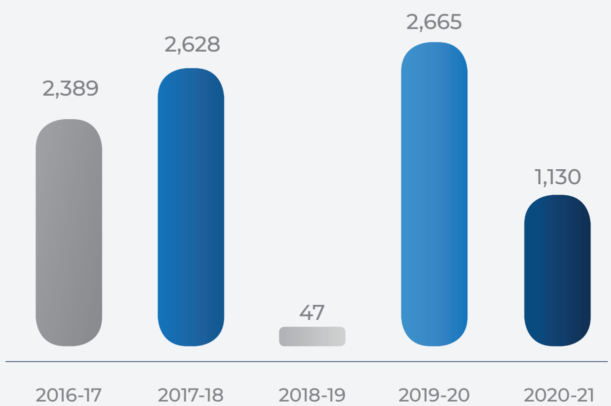
EPS
(IN RUPEES)



NET PROFIT AFTER TAX
(%)



CASH DISTRIBUTED TO SHAREHOLDERS
(RUPEES IN MILLION)



CHAIRMAN'S MESSAGE

Financial Year 2021 proved to be a remarkable year. When I wrote to you last year, I would never have imagined that our entire eClerx family and all of our clients would still be working from home a year later. But that has indeed transpired, and I am proud to share that your company has shown great resilience and innovation to prosper in this new paradigm. FY 2021 ended up as our best year - a formidable performance given the challenging beginning to the year posed by severe stay at home orders across the world. Our first half reflected these challenges with a significant revenue reduction over the preceding six months - a function of reduced client spend – most notably from our travel and leisure, retail and luxury clients - and our inability to support certain clients from work from home – most in customer care. Demand however returned strongly in the second half as businesses reopened, work from home became more acceptable, and shortages manifested in local labour markets. FY 21 Q4 ended as our best ever revenue and margin quarter, and we finished the year with overall revenues of USD 210mm and net income of INR 283 crores.

PERFORMANCE ACROSS KEY METRICS

The year's performance showed the results of the firm's investments over the past three years. Over this period, our top 10 client concentration reduced further to 63% (from 70%) driven by 9% revenue growth from our Emerging portfolio of clients. We now have fifteen clients over $3mm revenue run rate compared to ten a year ago. The past year saw us grow productized services - managed service programs embedding our automation tools and analytics in areas of key competence – now 27% of total revenue. This was driven by growth across derivative operations and client lifecycle in financial markets, field tech operations and customer care in customer operations and across creative services, marketing automation and customer analytics in digital. Overall automation and analytics revenue was our highest ever - areas of keen focus for the firm. Onshore delivery continued its fast growth with our Fayetteville site at maximum capacity – albeit work from home – and onshore consulting rebounded in the second half of the year. At $46mm, onshore revenue now represents 22% of firm revenue, and our onshore investments have helped the fast growth in our customer care business both onshore and offshore. Happily, all these initiatives have also resulted in a return to improved profitability, particularly in the second half of the year.

PERSONIV

In the second half of FY21, we completed the acquisition of Personiv, an Austin headquartered business process management company. All meetings, due diligence and closing work related to the transaction were conducted virtually given restrictions in place across jurisdictions. Personiv brings to the firm a more mid-market client focus, which we believe will be key to our future growth. It is also a great family fit – like us they have a long track record in the outsourcing business; their services across digital marketing, customer support, finance and accounting complement ours; like us, they have grown by building deep and broad relationships with a few key clients, differentiating from larger established vendors through execution quality and a can-do attitude; their Philippines delivery centre provides an additional country diversification option; their commitment to environmental and social causes and – perhaps most importantly- their culture of commitment to client and people resonates strongly with our fundamental EPIC values of excellence, people, integrity and client. We are very excited by the opportunities this union offers.

OUR PEOPLE

Sustained work from home – and the increased focus on risk management, governance and service quality – required the firm to pivot to an entirely new way of working in the year. Supporting such a distributed model of delivery in a firm of 12,000 members was a challenge to which our infrastructure support teams stepped up admirably, delivering almost ten thousand laptops and desktops to all our employees dispersed far and wide across geographies and then implementing new software and processes to provide oversight, controls and support to team-members across the globe.

Our people functions also stepped up, creating new sourcing, hiring and on-boarding processes to adjust to the virtual world. In the year we processed over 70,000 applications and on-boarded over four thousand employees completely virtually. In fact, the second half of the year saw us add the most new employees of the recent past as client demand rebounded, and we transitioned new client business with no client-premises meetings as would have been customary in the past. Supporting this growth trajectory given current constraints – whilst maintaining quality and controls - has been quite an achievement, and has been assisted by our mobility, meritocracy and inclusiveness efforts across all our hiring markets, and investments in on boarding technologies prior to the pandemic. Our focus continued on retaining and enhancing domain expertise - critical to a firm such as ours - and we developed new on-line training programs, delivering over two million hours of training, up a third over the previous year. We upskilled a large number of our global workforce on key skills such as data visualization, robotics, machine learning and cloud technologies, and further expanded our onshore analytics junior consultant hiring and training initiative to now also include the APAC region.

More than ever perhaps, employee engagement and wellness were top of mind. New employee experience and listening initiatives enabled us to drive deep engagement across the entire employee lifecycle and across the firm. As we became more dispersed and lost physical connections, we launched tools to help improve collaboration and connection. In the early days of the pandemic, to help our employees manage stress better, we launched a 1x1 outreach program and incorporated weekly webinars aimed at managing physical and mental well-being and adapting to the virtual workplace. We were also one of the first few firms in our industry to announce wage hikes, bonuses and promotions in commitment to our people. During India's deadly second wave, the firm initiated a special Covid-19 insurance scheme, professional counselling and free virtual medical consultation services, and launched a 24*7 helpline to assist with hospital beds and oxygen. Finally, we launched a firmwide vaccination drive and I am happy to report that as I write this, over two thirds of our global workforces have received at least one dose.

All these initiatives have meant improvements in employee satisfaction with improved survey participation and increased positive responses - up 25% year on year. Retention improved with attrition substantially lower over the prior year. Helped by new virtual rewards, recognition and enablement programs, we saw marked improved in manager retention –today the average tenure of our senior management team is up fifty percent over the past three years - a key barometer of the firm's stability and depth of talent.

CORPORATE RESPONSIBILITY, SUSTAINABILITY AND EFFICIENCY

COVID-19 impacted our CSR partners significantly in the year, with the closure of schools and workplaces, and depleted giving from sponsors. Our partners showed great resilience in the face of this, and innovated with digital channels for education and training to ensure youngsters continued to be supported. The firm also partnered in new ways, for example by volunteering over 5,000 hours online, and helped over 20,000 vulnerable individuals through various employee and company initiatives.

Our commitment to sustainability was assisted by the significant reduction in travel and office use, and the attendant reduction in electricity, water and materials consumption, and waste production. With sustained work from home, and the addition of Personiv, we had an opportunity to rationalise our office footprint across the globe, allowing for more permanent reductions. Our decision to favour laptops over desktops in work from home meant lower power consumption and we moved to energy efficient networks and server infrastructure. We further invested in our information security efforts initiatives across data encryption, remote data management, end point detection and user activity monitoring. Last year, we launched a third party survey to benchmark our current ESG practices and we will publish our first sustainability report this year.

We continued our tradition of fiscal conservatism and exited the year with just under USD 100mm in cash and cash like instruments - after the cash purchase of Personiv. Such balance sheet strength remains of great comfort to our clients, our management teams and our employees. We expect accretive acquisition opportunities to present themselves and remain ready to act on those quickly, but will continue to return excess capital to shareholders as in the past.

AWARDS AND RECOGNITIONS

The industry again recognised our work in the past year. Our learning and development function won three awards at the prestigious global Brandon Hall Excellence Awards, our quality team took gold at the American Society for Quality International – something only achieved by three other Indian companies so far - and our digital business won the Information Services Group Digital Case Study Award. We were also ranked #3 in the Top 50 'Best Firms for Data Scientists to Work For' published by Analytics India Magazine. Finally, one of our largest enterprise clients selected us as their most innovative vendor partner for customer care – something we are particularly proud of.

CHARTING UNCERTAIN WATERS

We enter the new financial year with an enviable portfolio of achievements and attributes. The firm closes the year having delivered revenue growth of 16% per annum over the past thirteen years as a public company, remaining profitable every single quarter and owing no debt at any time. We have tenured client relationships - seventy-six clients have been clients for over 5 years, twenty-three for over 10 years - quite incredible given the rapid changes affecting our clients and the industry. Whilst we are a small firm in comparison to our large competitors, we enjoy deep and meaningful relationships with large enterprise clients - today almost eighty percent of our revenue derives from the Fortune 500, and over the past decade, we have delivered over $1bn of services to our top 25 clients alone!

Last year again underscored the demand for cost reduction, niche skills, automation and global delivery - themes we expect to continue. We are very well positioned to succeed in this environment with our ever increasing scale, global footprint and our standing as the go-to innovative and high quality partner for our clients. Whilst Covid-19 will undoubtedly require us to permanently adapt to a new way of selling, delivering and quality-managing our services to clients, we should look to the future with great confidence. This year the eClerx family once again demonstrated its spirit and determination to do whatever it takes for its clients, reminding us all of what makes this firm so special. With our people, our enviable community of client, our capabilities and our hunger to always do better, I remain ever more confident of our future.

I 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

ALOK GOYAL

Non-Executive Independent Director

ANISH GHOSHAL

Non-Executive Independent Director

BIREN GABHAWALA

Non-Executive Independent Director

DEEPA KAPOOR

Non-Executive Independent Director

SHAILESH KEKRE

Non-Executive Independent Director

SRINJAY SENGUPTA

Non-Executive Independent Director

CORPORATE INFORMATION

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

KFin Technologies Private Limited (formerly Karvy Fintech Private Limited)
Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,
Serilingampally Mandal, Hyderabad - 500 032, Telangana.

Toll free No. 1800 309 4001

Email: einward.ris@Kfintech.com

BANKS

- Bank of India
- Citibank N.A.
- DBS Bank limited
- Kotak Mahindra Bank Limited
- Standard Chartered Bank
- YES Bank limited
- IDFC FIRST Bank limited
- ICICI Bank Limited
- AXIS Bank Limited
- HDFC Bank Limited

AUDITORS

Statutory

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

Internal

Mahajan & Aibara,
Chartered Accountants LLP
Mafatlal Chambers, B Wing,
2nd Floor, N.M. Joshi Marg,
Lower Parel East,
Mumbai- 400 013, India

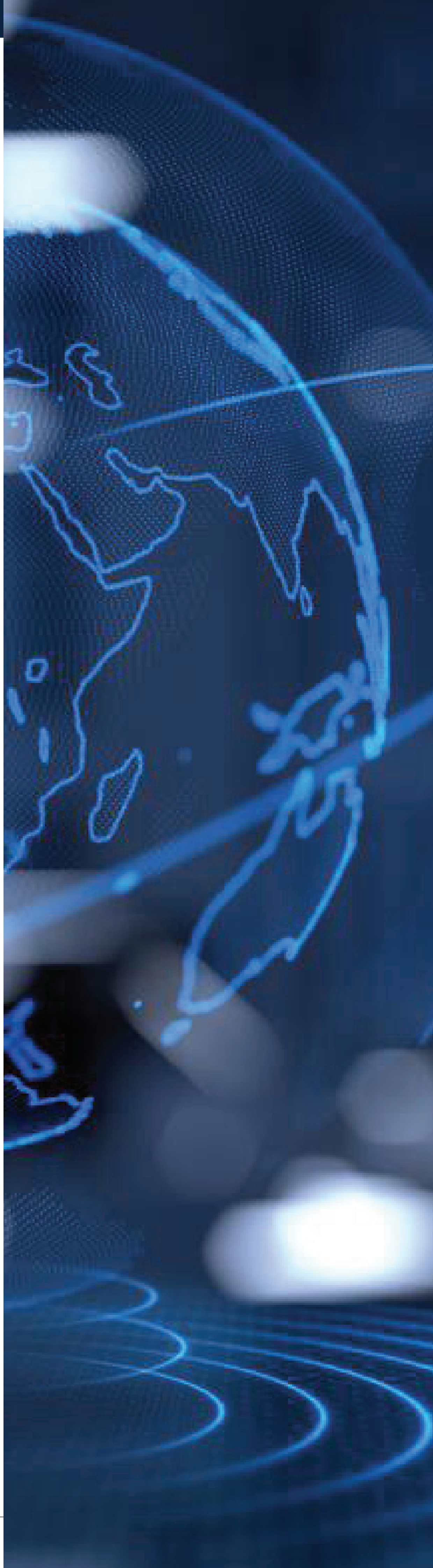
ESG INITIATIVES

eClerx has always cared deeply about its people, the environment and the communities within which it operates. This has manifested in initiatives such as CSR which the firm started as a private company well before this rightfully became a regulation under the Companies Act of 2014, and more recently, a number of "green practices" focused on reducing the firm's environmental footprint. Our ESG initiatives arise from our desire to do the best for all our stakeholders – our people, our clients, our suppliers and our investors. Our young cohort of employees represent our collective future and they are each vested in environmental issues and sustainability, as well as in working in a learning, open and inclusive community. Our investors - who have always rated the firm highly for its standards of corporate governance - are now increasingly caring about our ESG practices, and our our global clients have started on their own net-zero and sustainability journeys. We have also had an opportunity to communicate our ESG priorities to our supplier community, ensuring a meeting of minds on key beliefs.

At eClerx, our effort has been to strike a balance between maximizing our business potential while integrating a sustainability vision into our long-term strategic plan in a way that creates lasting value to build trust amongst our key stakeholders. As a responsible corporate citizen, our continued endeavour will be on:

- Prudent use of natural resources leading to a sustainable future for our stakeholders
- Providing a safe, engaging, and enriching environment promoting diversity and inclusion to our people, our key asset
- Continuous improvement in our governance practices, transparency, and maintaining data privacy

We initiated our effort a few years ago with an aim to become a company espousing ESG guidelines and we have already made a small yet noticeable impact on the environment and society.



We continue to align our ESG strategy on 10 out of the 17 Sustainable Development Goals defined by UNDP.

1 NO POVERTY

3 GOOD HEALTH & WELL BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK & ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES & COMMUNITIES

12 RESPONSIBLE CONSUMPTION & PRODUCTION

15 LIFE ON LAND

17 PARTNERSHIP FOR THE GOALS

HIGHLIGHTS OF THE KEY PERFORMANCE INDICATORS

ENVIRONMENT

- Total Scope 1-2-3 CO_2 Emission Reduced By 46.8% compared to FY20
- Non-recycled paper usage reduced by 88.1%
- Non-drinking Water Consumption (per employee per day) reduced by 98.5%
- Prevention of CO_2 Emissions for US Clients (in Metric Tonnes) up by 30.8%
- Renewable energy usage for electricity increased by 33%

SOCIAL

- Gender Diversity (overall) increased from 32% in FY20 to 35% in FY21
- Gross Direct Jobs (fresher) created increased by 18.7%
- Gross Training hours for Employee skilling increased by 33.9%
- Lives touched through CSR in FY21: 20,821
- Employee attrition reduced from 38.56% in FY20 to 24.25% in FY21

GOVERNANCE

- Ratio of Independent Directors to total Board is 77.78%
- Board Meeting Attendance Average at 98.4%
- 55% of suppliers conforming to company's ESG principles - a 100% increase over FY20
- 96.7% staff trained on anti-bribery and corruption policies
- 100% of vendor Spend decision under Dual Approval

IMPORTANT INITIATIVES UNDERTAKEN:

ENVIRONMENT

Use of eco-friendly products in day-to-day house-keeping activities to ensure minimal adverse effect on environment.	100% STP water recycled is reused for flushing and horticulture, thus reducing freshwater withdrawals.	Installation of technologically-advanced hand dryers with minimal decibel level to conserve energy and reduce queuing time.	Grouping large vehicle transport facility to reduce carbon footprint and use of smart scheduling app to reduce stopover and optimizes miles travelled by employee transport vehicles.

SOCIAL

All employees have access to mental health counselling. Free vaccination to employees and their dependents.	Digitalization of internal communications with virtual meetings through tele/ audio-conferencing that brings down meeting-related travel, minimizing potential risk of infection further.	Committed INR 10 crore in FY21 for supporting startups and young entrepreneurs.	Active participation in the Indian Government-led Apprentice Scheme to provide vocational training to the youth through the industry and eClerx has hired hundreds of young graduates in FY21 under the scheme.

GOVERNANCE

Special fraud risk related training conducted for relevant group of employees that includes mock phishing drills, refresher training and onboarding tests.	Due Diligence Questionnaire to vet vendors on parameters including of their commitment to sustainability at the time of selection and onboarding.	98% of our workforce has undergone verifications and during FY21, there was no incident of breach of code of Ethics or incident reported through our whistleblowing procedure.	Continue to implement newer tools to identify and thwart emerging cyber threats and deploy vulnerability assessment and penetration testing via external consulting firms.

eClerx is publishing its first standalone Sustainability Report for FY21 that will elucidate our Environment-Social-Governance initiatives and our commitment towards a sustainable future.

ECLERX CARES

As a responsible corporate citizen with a longstanding commitment to social welfare, eClerx is determined to help create a better society through our CSR arm, eClerx Cares. We aim to create sustainable, scalable and replicable models of change that have a positive impact on children and youth in their journey of 'education to employability'.

This year, we have touched more than 20,000 lives in a significant way through our direct funding projects despite the numerous adversities faced on account of COVID-19 and the resultant nationwide lockdown. One of the biggest challenges faced was school closures across the country and the resultant lack of access to education for children from underserved communities. We stood steadfast with our partners in their journey of digital transformation by helping them create innovative models of outreach and providing adequate support to ensure that the maximum number of students had access to digital education. Our partners have shown resilience in the face of adversity and have ensured continuous coverage and delivery of educational and employability programs for children and youth.

COVID-19 did not spare our volunteer engagement activities either. Our employee volunteering activities transitioned to the 'virtual' medium where more than 5,500 hours of volunteering were contributed by our employees to support activities including recording audiobooks for the visually challenged, conducting multiple mock interviews and resume building sessions for the youth, and building curriculum and English lesson plans for children supported by eClerx.

eClerx cares
eClerx Corporate Citizenship

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of eClerx Services Limited ('the Company') will be held on Wednesday, September 29, 2021 at 12.30 p.m., Indian Standard Time ("IST") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") facility 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, 2021, 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, 2021, together with the Reports of the Auditors thereon.

2. To declare dividend for the year ended March 31, 2021 amounting to Re. 1/- per share.

3. To appoint a Director in place of Mr. Anjan Malik, (DIN: 01698542) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To appoint Mr. Srinjay Sengupta (DIN: 02692531) as a Director in the capacity of Non-Executive Independent Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Schedule IV to the Act, Mr. Srinjay Sengupta (DIN: 02692531), who was appointed as an Additional Director of the Company by the Board of Directors, under Section 161 of the Act, to hold office up to the date of this Annual General Meeting and whose appointment as an Independent Director is recommended by the Nomination and Remuneration Committee, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term up to January 27, 2026, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company be and are hereby severally authorised, to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard."

5. To re-appoint Mr. Shailesh Kekre (DIN: 07679583) as Non-Executive Independent Director of the Company

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, read with applicable Rules and Schedule IV of Companies Act, 2013, Regulation 17(1A) and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and based upon the recommendation of the Nomination and Remuneration Committee and approval of the Board, Mr. Shailesh Kekre (DIN: 07679583), who was appointed as Non-Executive Independent Director and who holds office as such upto March 14, 2022, be and is hereby re-appointed as Non-Executive Independent Director for the second term of 5 (five) consecutive years starting from March 15, 2022 till March 14, 2027, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorized to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.

By Order of the Board
For eClerx Services Limited

sd/-
Pratik Bhanushali
Company Secretary & Compliance Officer
F8538

Place: Mumbai
Date: August 13, 2021

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

NOTES:

1. On account of the COVID-19 pandemic, social distancing norms, restriction on movement of persons and pursuant to General Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circular") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 21st Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue and accordingly, Attendance Slip is not annexed hereto.

2. Members attending the meeting through VC/OAVM will be counted as quorum. There is no requirement for appointment of proxies since the requirement of physical presence has been dispensed with for AGMs to be held this year. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM and the Proxy Form is not annexed hereto. However, pursuant to Section 113 of the Act, Corporate members are entitled to appoint their authorised representatives to attend and vote on their behalf at the meeting and are required to send through their registered email address, a certified scanned copy of the Board resolution of such authorisation to investor@eclerx.com.

   The Company has engaged the services of M/s. KFin Technologies Private Limited (Kfintech), Registrar and Transfer Agents (RTA), to provide VC facility and e-voting facility for the AGM.

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

4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed hereto.

5. **DISPATCH OF ANNUAL REPORT**

   In terms of the MCA Circular and SEBI Circular, Notice of the AGM along with the Annual Report 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021 will also be available on the Company's website www.eclerx.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited ("KFintech") at https://evoting.kfintech.com

6. **URGENT AND IMPORTANT – REGISTER YOUR EMAIL ADDRESS**

   In order to receive all communications including Annual Report, Notices, Circulars, etc. from the Company electronically, Members holding shares in physical form and who have not registered their e-mail addresses so far, are requested to do by clicking on https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx and providing the requisite details of their holdings and documents for registering their e-mail address or by writing to the Company/KFintech at einward.ris@kfintech.com specifying their Folio No. and attaching self-attested copy of PAN card; and Members holding shares in dematerialized form are requested to register their e-mail address with their respective Depository Participant(s).

7. **PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM**

   (i) Members will be provided with a facility to attend the AGM electronically through video conference platform made available by KFintech. For accessing the same, Members may visit the e-voting website of KFintech i.e. https://emeetings.kfintech.com/ under shareholders/members login by using secure login credentials. The link for attending the AGM electronically will be available under shareholder/members login where AGM event of eClerx Services Limited can be selected.

   (ii) For better experience, Members are requested to join the meeting using Google Chrome (preferred browser) or other browsers such as Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.

   (iii) Members are requested to grant access to the web-cam to enable two-way video conferencing and are advised to use stable Wi-Fi or LAN connection to ensure smooth participation at the AGM. Participants may experience audio/video loss due to fluctuation in their respective networks.

   (iv) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending request from their registered email addresses mentioning name, DP/Client ID or Folio No., PAN and Mobile number at investor@eclerx.com from Thursday, September 23, 2021 (9:00 a.m. IST) up to Saturday, September 25, 2021 (5:00 p.m. IST). Alternatively, Members may register themselves as a speaker, during such time, by clicking 'Speaker Registration' tab available on the e-voting website of KFintech https://emeetings.kfintech.com/ and shall be provided a 'queue number' in advance. The Company reserves the right to restrict the number of speakers to those, who have done the prior-registration, depending on the availability of time at the AGM.

   (v) Members who may wish to post queries at the AGM, may visit https://emeetings.kfintech.com/ and click on the Tab "Post Your Queries Here" to post their queries in the window provided, from Thursday, September 23, 2021 (9:00 a.m. IST) up to Saturday, September 25, 2021 (5:00 p.m. IST) by mentioning their name and demat account number. Members may note that depending upon the availability of time, questions may be answered during the AGM or responses will be shared separately after the AGM.

(vi) Facility for attending the AGM through electronic means (VC/OAVM) shall be made available 15 minutes before the scheduled time for the AGM and will be available for atleast 1,000 Members, at a time, on first come first serve basis ("FIFO") and shall be kept open throughout the proceedings of AGM.

(vii) There will be no restrictions on account of FIFO entry into AGM for Members holding 2% or more shareholding as on the cut-off date for e-voting and also for the Promoters, Institutional Investors, Directors & KMPs and Auditors of the Company, etc.

(viii) For any assistance required in terms of using VC for the AGM , Members may contact Mr. S V Raju of KFintech at einward.ris@kfintech.com or call at 1800 309 4001 (Toll Free).

8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

9. In case of joint holders, a Member whose name appears as the first holder in the order of their names as per the Register of Members will be entitled to cast vote at the AGM.

10. In terms of the Listing Regulations, it is mandatory to furnish a copy of PAN card to the Company or KFintech in the following cases viz. deletion of name, transmission of shares and transposition of shares.

11. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 17, 2021 to Wednesday, September 29, 2021 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2021, if any, approved by the Members.

12. An Explanatory Statement pursuant to Section 102 of the Act in respect of Item Nos. 4 and 5 of the Notice set out above, is annexed hereto.

13. Pursuant to Regulation 36(3) of the Listing Regulations, brief profile(s) of the Director(s) who are proposed to be re-appointed is annexed hereto.

14. The applicable statutory registers and 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 electronically for inspection by the Members during the AGM. Members are requested to send an email to investor@eclerx.com in advance, if they wish to inspect such documents during the AGM.

Further, all documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investor@eclerx.com.

15. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING AT THE AGM:

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its Members facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means. Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (**"remote e-voting"**). Further, the facility for voting through electronic voting system will also be made available during the AGM (**"Instapoll"**) and Members attending the AGM who have not cast their vote(s) by remote e-voting will be able to vote during the AGM through Instapoll. The Company has engaged the services of KFintech as the agency to provide both remote e-voting and Instapoll.

A person whose name is recorded in the Register of Members as on the cut-off date i.e. Thursday, September 16, 2021 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Instapoll. The remote e-voting period will commence on Friday, September 24, 2021 (9.00 a.m. IST) and will end on Tuesday, September 28, 2021 (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 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. The voting rights of Members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, September 16, 2021.

The Company has appointed Mrs. Ashwini Inamdar, (Membership No. FCS 9409) and failing her Mr. Atul Mehta (Membership No. FCS 5782) Partners of M/s. Mehta & Mehta, Practicing Company Secretaries (ICSI Unique Code P1996MH007500), to act as the Scrutinizer, to *inter-alia*, scrutinize the remote e-voting and Instapoll process in a fair and transparent manner.

The Members, who have not cast their vote through remote e-voting can exercise their voting rights through Instapoll. A Member can opt for only single mode of voting i.e. through remote e-voting or Instapoll. If a Member casts votes by both modes then voting done through remote e-voting shall prevail and voting done through Instapoll shall be treated as invalid.

THE MANNER OF VOTING THROUGH REMOTE E-VOTING IS AS UNDER:

As per the SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in **Demat mode (DPs)** are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

I. Individual Shareholders holding securities in Demat Form

- **Login through Depositories**

As per the SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

NSDL	CDSL
1. User already registered for IDeAS (Internet-based Demat Account Statement) facility: I. URL: https://eservices.nsdl.com II. Click on the 'Beneficial Owner' icon under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on 'Access to e-voting' IV. Click on company name or e-voting service provider and you will be re-directed to e-voting service provider website for casting the vote during the remote e-voting period.	**1. Existing user who have opted for Easi/Easiest** I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with User id and Password. IV. Option will be made available to reach e-voting page without any further authentication. V. Click on e-voting service provider name to cast your vote.
2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com Select 'Register Online for IDeAS' or https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp II. Proceed with completing the required fields. Post registration is completed, follow the process as stated in point no. 1 above	**2. User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields Post registration is completed, follow the process as stated in point no. 1 above
3. By visiting the e-voting website of NSDL I. URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. V. Click on company name or e-voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-voting period.	**3. By visiting the e-voting website of CDSL** I. URL: www.cdslindia.com II. Provide demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP (E-voting Service Provider) where the e-voting is in progress. V. Click on company name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

- **Login through their Depository Participants**

  You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option. Click on e-voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.

Important note:

Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43.

II. Non-Individual shareholders and shareholders holding securities in Physical Form:

a. Initial Password is provided in the body of the email.

b Launch internet browser and type the URL: https://evoting.kfintech.com in the address bar.

c. Enter the login credentials i.e. User ID and Password mentioned in your email. Your Folio No. /DP ID Client ID will be your User ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your votes.

d. After entering the details appropriately, click on LOGIN.

e. You will reach the 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.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

f. You need to login again with the new credentials.

g. On successful login, the system will prompt you to select the EVENT i.e. eClerx Services Limited.

h. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click “FOR”/“AGAINST” as the case may be or partially in “FOR” and partially in “AGAINST”, but the total number in “FOR” and/or “AGAINST” taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option “ABSTAIN” and the shares held will not be counted under either head.

i. Click on ‘SUBMIT’. A confirmation box will be displayed. Click ‘OK’ to confirm, else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

j. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

k. 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@KFintech.com and investor@eclerx.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name_Event No.”

l. In case of any query and/or grievance, in respect of voting by electronic means or voting through Instapoll, Members may refer to the Help & Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of https://evoting.kfintech.com/ (KFintech website) or contact Mr. S. V. Raju, Deputy General Manager (Unit: eClerx Services Limited) of KFin Technologies Private Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana or at evoting@kfintech.com or call KFintech’s toll free No. 1800 309 4001 for any further clarifications.

III. Information and instructions for Instapoll (Voting during the AGM):

The e-voting window shall be activated upon instructions of the Chairman during the AGM proceedings. Members shall then click on the “Vote” icon on the webpage and follow the instructions to vote on the resolutions.

The results shall be declared at or after the meeting. The results declared along with the Scrutinizer’s report shall be placed on the

Company's website www.eclerx.com. The Company shall simultaneously submit the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

16. Members are requested to:

a. send their queries, if any, on the operations/ financials of the Company through e-mail at investor@eclerx.com on or before Saturday, September 25, 2021 (5.00 pm IST), so that the information could be compiled in advance.

b. immediately intimate change of address, if any, to KFintech, Unit: eClerx Services Limited, KFin Technologies Pvt. Ltd., Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana quoting reference of their registered folio number, in case of shares held in physical form.

c. not leave their demat account(s) dormant for long and obtain periodic statement of holdings from your respective Depository Participant(s) and also verify your holdings to prevent fraudulent transactions.

17. Dividend and Related Information

a. Dividend, as recommended by the Board of Directors, if approved at the AGM, shall be paid after Wednesday, September 29, 2021 but within the statutory time limit of 30 days, to those Members whose names are registered in the Register of Members of the Company on Thursday, September 16, 2021 in case of shares held in physical form. In case of shares held in dematerialized form, the dividend thereon shall be paid to the Beneficial Owners as at the end of the business on Thursday, September 16, 2021, as per lists to be provided by the Depositories for the said purpose.

b. Members who wish to claim their dividends declared in past and which remains unclaimed, are requested to contact KFintech, Unit: eClerx Services Limited, KFin Technologies Pvt. Ltd. Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, 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 Act read with the Rules framed thereunder, dividend not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to Investor Education and Protection Fund.

c. In case the shares are held in physical form, requests for change of address, bank particulars/ mandates/NECS mandates, PAN, registration of email ID for receiving electronic communication from the Company/Registrar and Transfer Agent should be lodged with KFintech, Unit: eClerx Services Limited, KFin Technologies Pvt. Ltd., Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana before the book closure.

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

e. Shareholders are requested to register/update their Bank Account details with their respective Depository Participant(s), if shares are held in dematerialised form or with KFintech/Company by sending an email on einward.ris@kfintech.com, if shares are held in physical mode by clearly specifying Name, Folio No., Bank name and address, Account No., IFSC and MICR details and attach self-attested copy of PAN Card and cancelled cheque. Final Dividend, if approved by the Members at this AGM, will be directly credited to the bank accounts of the shareholders as per the details available with the Company within the prescribed timelines. In case of shareholders who have not registered their bank details, demand drafts will be sent to them in due course of time and upon normalization of postal services.

f. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

g. Members are requested to refer to the communication available on Company's website at www.eclerx.com for the information with respect to the deduction of tax at source on dividend and for availing tax exemptions, as mentioned therein. The said communication is also available on the website of stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

h. A resident shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to by visiting https://ris.kfintech.com/form15/ on or before Thursday, September 16, 2021 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/deduction received post Thursday, September 16, 2021 shall not be considered.

i. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the duly signed scanned documents by visiting https://ris.kfintech.com/form15/ on or before Thursday, September 16, 2021.

j. Members will be able to download the TDS certificate from the Income Tax Department's website https://incometaxindiaefiling.gov.in (Refer Form 26AS).

k. Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Book Closure dates, and other documents available with the Company/KFinTech. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.

l. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

18. Pursuant to the provisions of Section 72 of the Act read with Rules framed thereunder, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to approach KFintech by sending an email on einward.ris@kfintech.com.

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

SPECIAL BUSINESS - ITEM NO. 4

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at its meeting held on January 28, 2021, approved appointment of Mr. Srinjay Sengupta (DIN: 02692531) as an Additional Director (till the conclusion of this Annual General Meeting) designated as Non-Executive Independent Director, not liable to retire by rotation, for a tenure of 5 (five) consecutive years commencing from January 28, 2021 to January 27, 2026, subject to approval of the shareholders.

As an Additional Director, Mr. Sengupta holds office till the date of the this AGM and is eligible for being appointed as an Independent Director. The Company has received necessary declarations/disclosures from Mr. Sengupta confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations). Mr. Sengupta is not disqualified from being appointed as a Director under provisions of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as an Independent Director of the Company.

Mr. Sengupta is a seasoned professional in the technology and outsourcing industry. He held senior roles at Infosys, where he setup the UK and European operations of the company, and at iGate, where he was head of global sales and marketing. He also worked at McKinsey & Company and is now an independent adviser to global corporations in the areas of technology, operations and outsourcing. Srinjay is also an investor in tech intensive scale ups. He is an alumnus of the Indian Institute of Management, Ahmedabad and holds a bachelor's degree from the Indian Institute of Technology, Kharagpur.

As mandated by the Ministry of Corporate Affairs (MCA), Mr. Sengupta has completed his registration on the databank of Independent Directors created by MCA and Indian Institute of Corporate Affairs. Further, he has also completed the Online Proficiency Test as mandated by MCA.

In terms of Section 160 of the Act, Nomination and Remuneration Committee have recommended the appointment of Mr. Sengupta as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Act. The Company has also received a notice in writing from a Member proposing the candidature of Mr. Sengupta to be appointed as Director of the Company.

In the opinion of the Board, Mr. Sengupta fulfils the conditions for his appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management. The Board believes that Mr. Sengupta possesses relevant expertise and experience for being appointed as an Independent Director of the Company and considers his association to be of immense benefit to the Company.

A copy of the appointment letter, setting out his terms and conditions of appointment is available on the website of the Company at www.eclerx.com and will be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such document can send an e-mail to investor@eclerx.com.

Additional information in respect of Mr. Sengupta, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure to this Notice.

Save and except Mr. Sengupta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors/Key Managerial Personnel and their relatives are in any way, interested or concerned, financially or otherwise in the Resolution set out at Item No. 4.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

SPECIAL BUSINESS - ITEM NO. 5

Mr. Shailesh Kekre (DIN: 07679583) was first appointed as Non-Executive Independent Director on the Board on March 15, 2017 pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, to hold office as such upto March 14, 2022.

The Nomination and Remuneration Committee, on the basis of his skills, experience, qualifications and the performance evaluation, has recommended his re-appointment for a second term of 5 (five) consecutive years on the Board of the Company. The Board of Directors, as per the recommendation of the Nomination and Remuneration Committee, proposes to re-appoint Mr. Kekre as Non-Executive Independent Director for the second term of 5 (five) consecutive years with effect from March 15, 2022 till March 14, 2027. The Nomination and Remuneration Committee and the Board are always focused on ensuring that people with the appropriate credentials are represented on the Board.

The Company has received necessary declarations/ disclosures from Mr. Kekre confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations). Mr. Kekre is not disqualified from being re-appointed as a Director under provisions of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as an Independent Director of the Company.

In the opinion of the Board, Mr. Kekre fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management. The Board believes that Mr. Kekre possesses relevant expertise and experience for being re-appointed as an Independent Director of the Company and considers his association to be of immense benefit to the Company.

As mandated by the Ministry of Corporate Affairs (MCA), Mr. Kekre has completed his registration on the databank of Independent Directors created by MCA and Indian Institute of Corporate Affairs. Further, he has also completed the Online Proficiency Test as mandated by MCA.

A copy of the appointment letter, setting out his terms and conditions of re-appointment is available on the website of the Company at www.eclerx.com and will be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such document can send an e-mail to investor@eclerx.com.

Additional information in respect of Mr. Kekre, pursuant to Regulation 36 of the Listing Regulations and the Secretarial Standards on General Meetings (SS-2), is provided at Annexure to this Notice.

- **Brief profile, skills and expertise of Mr. Shailesh Kekre:**

  Mr. Kekre holds management degree from the Indian Institute of Management, Calcutta and a Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, Kanpur.

  He was a Partner at McKinsey & Company in India and a leader of the Firm's global Sourcing and Analytics practices. He had been with McKinsey for over 17 years. He has served global enterprises in India, US, UK and Germany and has extensive experience in counselling CEOs/CXOs in the Technology sector. He specialises on topics related to building/scaling new businesses and strategy & operations for IT/BPM/R&D services. He was also the founder leader of McKinsey's Bangalore office, 100th location of the firm. Before joining McKinsey, he worked as an R&D engineer at Cadence Design Systems, wherein he built automation tools for electronic systems design.

- **Association, Participation and involvement with eClerx:**

  One of the criteria while nominating or considering re-appointment of a Director is participation and attendance at the meetings of the Company. Although attendance is given significant importance, the Nomination and Remuneration Committee also considers outside Board room participation of the Directors. Over and above his role in Board and Committee meetings, he has provided valuable advice and guidance to the Company on strategic matters.

  Mr. Kekre currently serves on only one public board (eClerx), and therefore is available to provide time and inputs to eClerx in its next phase of growth. He has been an active Member of the Board and Risk Management Committee, which can be inferred from his below attendance record of the Board, Committee meetings and Annual General Meetings. He brings an independent judgement on the Board and his continued association will be valuable to the Company.

Mr. Kekre's attendance details since his association with eClerx are given below:

Board Meeting Attendance		Risk Management Committee meeting*		Annual General Meeting	
25 meetings attended out of total 26 held	96.15%	5 meetings attended out of total 5 held	100%	3 meetings attended out of total 3 held	100%

* Constituted w.e.f January 31, 2019

He is also committed to maintain his strong and exceptional attendance record for future Board and Committee meetings as well. He is currently holding directorship in one small private company and is a Designated Partner in Three (3) LLPs. He does not hold any Executive/Independent Directorship in any companies other than eClerx, which helps him devote considerable amount of time to eClerx.

➢ **Performance Evaluation:**

The Board of Directors appoints an external expert for conducting the annual Board and individual Director's evaluation which ensures that the process is unbiased. The Performance Evaluation reports are placed before the Nomination and Remuneration Committee and the Board for review and necessary action.

Based on a good track record and positive outcome of performance evaluation of Mr. Kekre, the Nomination and Remuneration Committee and the Board strongly recommends that the shareholders vote 'FOR' the re-appointment of Mr. Kekre as Non-Executive Independent Director.

Save and except Mr. Kekre and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors/Key Managerial Personnel and their relatives are in any way, interested or concerned, financially or otherwise in the Resolution set out at Item No. 5.

Taking into consideration the above mentioned factors justifying Mr. Kekre's valuable association with the Company, the Members are requested to grant their approval for re-appointment of Mr. Shailesh Kekre (DIN: 07679583) as Non-Executive Independent Director for the second term of 5 (five) consecutive years with effect from March 15, 2022 till March 14, 2027.

ANNEXURE TO THE NOTICE

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

NAME	ANJAN MALIK	SRINJAY SENGUPTA	SHAILESH KEKRE
DIN	01698542	02692531	07679583
Designation	Non- Executive Director	Non-Executive Independent Director	Non-Executive Independent Director
Age	51 years	54 years	48 years
Profession	Business Executive	Business Executive	Business Executive
Date of first appointment on the Board	May 10, 2000	January 28, 2021	March 15, 2017
Shareholding in the Company as on the date of this Notice	9,365,204 (26.84%)	NIL	NIL
Qualifications	Bachelor's Degree in Physics, with honours from the Imperial College of Science and Technology, London (UK) and a Masters of Business Administration degree in Finance from the Wharton School of Pennsylvania (USA).	Bachelor's degree from the Indian Institute of Technology (IIT), Kharagpur and alumnus of Indian Institute of Management, Ahmedabad (IIM-A)	Management degree from the Indian Institute of Management, Calcutta and a Bachelor of Technology degree in Electrical Engineering from the Indian Institute of Technology, Kanpur

NAME	ANJAN MALIK	SRINJAY SENGUPTA	SHAILESH KEKRE
Brief resume (Experience and Expertise)	Mr. Anjan Malik, is a co-founder and Non-Executive Director of eClerx Services Limited and the Executive Director of its on-shore subsidiaries. He has over 30 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	Refer Explanatory Statement to Item No. 4	Refer Explanatory Statement to Item No. 5
Terms and conditions of re-appointment	As per the existing terms and conditions and in accordance with the provisions of Companies Act, 2013		
Relationship with other directors and Key Managerial Personnel of the Company	Not related to any Director/Key Managerial Personnel		
Directorships held in other Companies	N.A.	Fans On Stands Sports Private Limited	Kuliza Technologies Private Limited
Memberships/ Chairmanships held in committees of the Board of other companies	N.A.	N.A.	N.A.
The number of meetings of the Board attended during FY2021	7 out of 7	1 out of 1	7 out of 7
Remuneration last drawn	No remuneration had been paid, by the Company, during FY2021 However as stated in Notes to Accounts, he was paid Rs. 16.98 million (which includes Rs. 9.22 million of bonus provisions) from eClerx Limited, (U.K.) and Rs. 7.78 million from eClerx Investments (U.K.) Limited wholly owned subsidiaries of the Company, during FY2021.	Commission of Rs. 0.32 million and sitting fees of Rs. 0.06 million was paid, by the Company during FY2021.	Commission of Rs. 1.90 Million and sitting fees of Rs. 0.42 Million was paid, by the Company during FY2021.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 21st Annual Report along with the audited annual accounts for the financial year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS

The key aspects of the Company's financial performance for the year ended March 31, 2021 are tabulated below:

(Rupees in Million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from operations	11,974.01	11,201.67	15,644.91	14,375.71
Other Income	393.84	540.01	344.54	467.05
Total Revenue	**12,367.85**	**11,741.68**	**15,989.45**	**14,842.76**
Operating Expenses	8,439.50	8,797.55	11,164.57	11,140.52
Earnings before interest, tax, depreciation and amortization (EBITDA)	**3,928.35**	**2,944.13**	**4,824.88**	**3,702.24**
EBITDA%	31.76%	25.07%	30.18%	24.94%
Finance costs	183.62	176.62	202.77	188.10
Depreciation, goodwill & amortization expenses	500.04	445.93	815.93	708.95
Earnings before Exceptional Items, Interest, & Tax	3,244.69	2,321.58	3,806.18	2,805.19
Exceptional Items	-	488.40	-	-
Net Profit before Tax (PBT)	**3,244.69**	**1,833.18**	**3,806.18**	**2,805.19**
Taxes	855.65	597.47	977.97	715.47
Profit for the year before minority interest	2,389.04	1,235.71	2,828.21	2,089.72
Minority interest	-	-	2.60	(0.11)
Net Profit attributable to shareholders	**2,389.04**	**1,235.71**	**2,828.21**	**2,089.83**
NPM%	**19.32%**	**10.52%**	**17.69%**	**14.08%**

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 FY2021 till the date of this Report, which would affect the financial position of the Company.

3. COVID-19 IMPACT

In FY2020, when the COVID-19 pandemic first broke, eClerx swiftly reacted by providing required support to the workforce. Our challenge was to ensure employee safety and to make sure that our employees were equipped to serve our clients. With a focus on employee wellbeing and business continuity, we were early in canvassing clients for Work from Home (WFH) approvals. The infrastructure team was quick to procure and deliver over 7,000 laptops and data cards to our employees. The Company also provisioned VPNs and VDI access for all its employees in this period so that data security was not compromised.

Therefore, when the lockdown started expanding rapidly across Italy, India, Thailand, UK and the USA in quick succession, we were equipped to meet the deadlines and deliverables of our clients and ensured that we had zero downtime on deliverables and infrastructure. From an in office delivery model, the Company quickly moved to a Secure Anywhere Anytime (SAA) model which complied with our MSA commitments. The Company was able to equip 93% of employees for work from home in 4 weeks and this number ramped up week on week so that we could have 100% coverage.

4. GENERAL RESERVE

The Board has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried forward to Retained Earnings.

5. DIVIDEND

Based on the overall Company's performance, the Directors are pleased to recommend a dividend of Re. 1/- (10%) per share. The total quantum of dividend payout, if approved by the Members, will be about Rs. 34.89 million.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source as per applicable tax rates.

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

Sr. No.	Dividend	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
1	Total Dividend for the year	1.00	1.00	1.00	1.00	1.00	35.00	35.00
2	Dividend as % EPS (Basic)	1.75%	1.66%	1.8%	1.4%	1.2%	46%	41%
3	Dividend as % Profit After Tax	1.73%	1.66%	1.8%	1.4%	1.2%	46%	41%
4	Tax Amount (Rs. Million)	-	7.60	7.95	8.12	8.36	222.28	179.50

The Register of Members and Share Transfer Books will remain closed from Friday, September 17, 2021 to Wednesday, September 29, 2021 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The 21st Annual General Meeting of the Company is scheduled to be held on Wednesday, September 29, 2021.

The dividend declared and/or paid by the Company for FY2021 is in compliance with the Dividend Distribution Policy.

6. DIVIDEND DISTRIBUTION POLICY

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

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 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

8. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

The Company had 15 (Fifteen) subsidiaries (including step down subsidiaries) and 1 (One) associate company as on March 31, 2021.

In terms of the provisions of Section 129(3) of the Act, a statement containing salient features of the performance and financial position of each of the subsidiaries is attached as **Annexure - I** to this report in Form AOC-1.

During the year, eClerx LLC, USA, a Wholly Owned Subsidiary of the Company entered into a Share/ Membership Interest Purchase Agreement to acquire 100% shares/membership interest of Eclipse Global Holdings LLC (dba Personiv), a Delaware Limited Liability Company headquartered in Austin, Texas, USA, along with all of its subsidiaries. Consequently, Eclipse Global Holdings LLC, USA, Personiv Contact Centres LLC, Delaware, ASEC Group LLC, Delaware, AGR Operations (Manila) Inc, AG Resources (India) Private Limited and Personiv Contact Centres India Private Limited became subsidiaries of the Company effective from December 23, 2020. There has been no material change in the nature of the business of subsidiaries and associate company, during the year under review.

Pursuant to Section 136 of the Act, the Financial Statements including Consolidated Financial Statements of the subsidiaries, along with relevant documents have been hosted on the Company's website www.eclerx.com.

9. 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 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
US$ 0.5-1 Million	19	21	20	17	14
US$ 1-5 Million	26	22	18	17	18
More than US$ 5 Million	7	7	7	6	6

10. INTERNAL FINANCIAL CONTROLS RELATED TO THE FINANCIAL STATEMENTS

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

The Company had adequate Internal Financial Controls which is commensurate to the size and business of the Company and is designed to provide reliable financial information. It provides reasonable assurance with respect to preparation of financial statements in compliance with the Acts, Rules, and Regulations as applicable including Indian Accounting Standards and also reliability of financial reporting. The controls also provide assurance that the expenditures are made in accordance with the authority given to the management of the Company duly approved by the Directors of the Company.

These controls are reviewed by the management and key areas are subject to various statutory, internal and operational audits based on periodic risk assessment. The findings of the audits are discussed with the management and key findings are presented before the Audit Committee and Board of Directors for review of actionable items. The review of the IFC, *inter-alia*, consists of the three components of internal controls, viz., Entity level controls, Key financial reporting controls and Internal controls in operational areas.

In addition to this, the Company also has an Enterprise Wide Risk Management Framework (EWRM) where the Company has identified and documented risks with respect to financial reporting as well as the controls for such risks. The EWRM framework is also reviewed periodically and updated as and when required. The Internal Auditor of the Company periodically conducts an audit/check of the effectiveness of such framework and the observations are placed before the Audit Committee.

11. CHANGES IN SHARE CAPITAL

Particulars	No. of shares	Amount in Rupees
Issued, subscribed and paid-up capital as on April 1, 2020	3,69,83,401	36,98,34,010
Less: Shares bought back via "Open Market" route during FY2021	20,93,815	2,09,38,150
Issued, subscribed and paid-up capital as on March 31, 2021	3,48,89,586	34,88,95,860

12. 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 August 29, 2019 for a period of 5 (Five) years i.e. upto conclusion of 24th Annual General Meeting. Pursuant to the Companies Amendment Act, 2017, their appointment is not subject to annual ratification at the AGM. Accordingly, the notice of 21st AGM of the Company does not contain proposal for ratification of their appointment.

M/s. S.R. Batliboi & Associates LLP have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark.

13. SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Mehta & Mehta, Company Secretaries as the Secretarial Auditors for conducting the audit of the secretarial records for the financial year ended March 31, 2021. The report of the Secretarial Auditor is attached as **Annexure-II**. The Secretarial Auditors' Report does not contain any qualification, reservation or adverse mark.

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

14. MAINTENANCE OF COST RECORDS

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

15. ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2021, is hosted on the website of the Company at https://eclerx.com/investor-relations/corporate-governance/.

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

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

17. DIRECTORS

In accordance with the Section 152 and other applicable provisions, if any, of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Articles of Association of the Company, Mr. Anjan Malik, (DIN: 01698542) who is not a Key Managerial Personnel pursuant to the provisions of the Act, retires from office by rotation, and being eligible, offers himself for re-appointment at the forthcoming AGM of the Company.

Based on the recommendation of Nomination and Remuneration Committee, Mr. Srinjay Sengupta (DIN: 02692531) was appointed as an Additional (Non-Executive Independent) Director of the Company with effect from January 28, 2021. As per the provisions of Section 161 of the Act, Mr. Sengupta in his capacity as an Additional Director will cease to hold office at the forthcoming Annual General Meeting and is eligible for appointment. The Company has received requisite notice under Section 160 of the Act from a Member proposing his appointment as Non-Executive Independent Director. He has also furnished requisite consent and/or disclosures to the Company as required under the Act and the Listing Regulations. Considering the expertise and experience he brings on board, the Board of Directors recommend his appointment for consideration of the shareholders.

Based on the recommendation of Nomination and Remuneration Committee, the Board has approved re-appointment of Mr. Shailesh Kekre (DIN: 07679583) as Non-Executive Independent Director for the second term of five consecutive years with effect from March 15, 2022 till March 14, 2027, and accordingly recommends his re-appointment for consideration of the shareholders at the forthcoming Annual General Meeting.

The brief profile and other information of the aforesaid Directors, as required under Regulation 36 of the Listing Regulations and Secretarial Standards on General Meetings is also included in the Notice of the AGM.

In the opinion of the Board, all the Independent Directors have acted with integrity and have the requisite experience and expertise in the context of the business of the Company to make a significant contribution to the deliberations of the Board of Directors.

18. DECLARATION BY INDEPENDENT DIRECTORS

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

The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. The Company has also received declarations under Regulation 25(8) of Listing Regulations from the Independent Directors confirming that they were no existence or anticipation of any circumstances during the year that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

19. PERFORMANCE EVALUATION

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

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

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for the communication and rigorous decision making;
- Board's focus on wealth 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 performance evaluation criteria for the Committees of the Board, was modelled on the following factors:

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

In addition, the Chairman of the Board was also evaluated on the key aspects of his role and the report on his performance evaluation was placed before the separate meeting of the Independent Directors for review. During the year, the separate meeting of Independent Directors was held on June 9, 2020. In this meeting, the performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Director and Non-Executive Directors. The same was also discussed in the subsequent Nomination and Remuneration Committee Meeting and Board Meeting that followed the meeting of Independent Directors.

20. FAMILIARISATION PROGRAMME

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

The Company has formulated a detailed Induction pack for onboarding of new Directors, which, *inter-alia*, covers the following:

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

In addition to this, periodic familiarization programmes are conducted for the Directors about the business operations, industry overview, threats, opportunities and challenges in respective verticals. Furthermore, detailed business presentations are made at quarterly meetings of Board of Directors. The details of familiarization programmes/ training imparted to Independent Directors have been hosted on the Company's website at https://eclerx.com/investor-relations/corporate-governance/

The Independent Directors are encouraged 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. In terms of the Listing Regulations, the standard letter of appointment of Non – Executive Independent Directors of the Company containing the requisite familiarization details has been hosted on the Company's website at https://eclerx.com/investor-relations/corporate-governance/

21. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act and other applicable Rules and Regulations, the Directors, to the best of their knowledge and ability, confirm that:

In the preparation of the annual accounts for the FY2021, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit or loss of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- 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;
- 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 FY2021, 7 (Seven) Board Meetings were held details of which, along with particulars of attendance of the Directors at each of the Board Meetings are given in the Corporate Governance Report of the Company, which forms a part of this report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

23. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Biren Gabhawala, Mr. Pradeep Kapoor, Mr. Anish Ghoshal, Ms. Deepa Kapoor and Mr. PD Mundhra. The majority of the Members are Independent Directors and Mr. Biren Gabhawala, Independent Director is the Chairperson of the Committee.

During the year, all recommendations made by the Audit Committee were accepted by the Board.

24. REPORTING OF FRAUD BY THE STATUTORY AUDITORS

There were no instances of fraud reported by the Statutory Auditors during FY2021 in terms of the Section 134 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

25. NOMINATION AND REMUNERATION POLICY

The Company has formulated the Nomination and Remuneration Policy in accordance with the provisions of the Act and the Listing Regulations. The said policy acts as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees. The aforesaid policy is hosted on the Company's website at https://eclerx.com/investor-relations/corporate-governance/

26. VIGIL MECHANISM

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

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

27. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

Details of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2021, are set out in Note 8 and 5.1 respectively to the Standalone Financial Statements of the Company. The Company has not provided any guarantee during the year under review.

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

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

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

The particulars of the transactions with related parties pursuant to the provisions of Section 188 of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 as given on page no. 37. Further, details with respect to related party transactions are also set out in the Note No. 32 to the Standalone Financial Statements of the Company for the year ended March 31, 2021.

Pursuant to the related party disclosure requirements under Part A of Schedule V of Listing Regulations, there were no loans and advances in nature of loans outstanding for the financial year ended March 31, 2021, from subsidiaries, associate companies or firms/companies in which Directors are interested.

Form AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which were not at arm's length basis.

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

(Rupees in Million)

Name of the related party	Nature of contract/ arrangement/ transactions	Relationship	Salient Terms of the contracts or arrangements or transactions including the value, if any	Duration of the contracts / arrangements/ transactions	Date of approval by the Board, if any	Transactions during the year March 31, 2021	Outstanding Balance as at March 31, 2021
eClerx LLC	Sales and Marketing Services	Wholly owned subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014/ ongoing	1,654.29	406.39 Payable
	Expenses incurred by subsidiary company on behalf of holding company					9.67	
	ITES services by subsidiary company to holding company					58.39	
	Expenses incurred by holding company on behalf of subsidiary company					0.59	11.65 receivable
	ITES services by holding company to subsidiary company					106.86	
	Investment in subsidiary					2,493.02	

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

Place: Mumbai
Date: August 13, 2021

Pradeep Kapoor
Chairman

29. BUSINESS RESPONSIBILITY REPORT

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

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

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

31. ENTERPRISE WIDE RISK MANAGEMENT SYSTEM AND RISK MANAGEMENT POLICY

Risk management is an integral part of the Company's business strategy and the Company believes that its ability to identify and address such risks is central to achieving its objectives. During the year, the Company was exposed to various Work from Home (WFH) related risks like Insecure Data storage & Transmission, Unauthorized disclosure of information and crucial information leakage on account of COVID-19 pandemic. These changes and challenges have brought a lot of uncertainties impacting the Company's objectives. The Company brought necessary changes to the EWRM framework so as to mitigate such risks.

The Company has in place a well-defined Enterprise Wide Risk Management ('EWRM') framework and Risk Management Policy which, *inter-alia*, aims at the following:

- Safeguarding the Company assets, interests and interest of all stakeholders by identifying, assessing and mitigating various risks.
- Laying down a framework for identification, measurement, evaluation, mitigation & reporting of various risks.
- Evolving 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.
- Balancing between the cost of managing risk and the anticipated benefits.
- Creating awareness among the employees to assess risks on a continuous basis & develop risk mitigation plans in the interest of the Company.

The Risk Management Committee has been delegated monitoring and reviewing of the risk management policy and the EWRM framework of the Company. The policy and the EWRM framework are periodically reviewed by senior management to ensure that the risks are identified, managed and mitigated. The same is also periodically reported to the Risk Management Committee, 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 Complaints 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 FY2021, 4 cases of sexual harassment were reported; all cases have been addressed satisfactorily within the defined timelines. For all 4 cases, the respondents were found guilty and appropriate actions were taken.

33. CORPORATE SOCIAL RESPONSIBILITY

During the year, the Company had incurred Rs. 55.28 millions towards CSR expenditure. The Company's CSR policy statement and the Annual Report on CSR activities undertaken during the financial year ended Mach 31, 2021, in accordance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure IV** to this report.

34. AWARDS AND RECOGNITION

The industry again recognised our work in the past year. Our learning and development function won three awards at the prestigious global Brandon Hall Excellence Awards, our quality team took gold at the American Society for Quality International – something only achieved by three other Indian companies so far. We were also ranked #3 in the Top 50 'Best Firms for Data Scientists to Work For' published by Analytics India Magazine. Finally, one of our largest enterprise clients selected us as their most innovative vendor partner for customer care – something we are particularly proud of.

35. REMUNERATION DETAILS PURSUANT TO

COMPANIES(APPOINTMENTANDREMUNERATION 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: 78 times; Non-Executive Non Independent Director: NA; Non-Executive Independent Director: 6 times (excluding sitting fees).

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:- Executive Director: Nil, Non-Executive Independent Directors: 5.56 %, Chief Financial Officer: 0%, Company Secretary: 8%.

The percentage increase in the median remuneration of employees in the financial year: (10.8)% - During FY2021, hiring averages were lesser than the exit which mainly contributed to decrease in median of remuneration of employees and also increments were deferred;

The global headcount of the Company as on March 31, 2021 was more than 11,900.

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: 5.17% for employees other than senior managerial personnel v/s 0% increase in the senior managerial remuneration. The increase is determined based on salary benchmarking done with industry peers to ensure retention of experienced employees. Company performance has indirect linkage to overall compensation of senior management.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further, the report and the annual financial statements are being provided to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Managerial Remuneration details:

<table>
<tr><th>Particulars</th><th>Executive Director</th><th>Non-Executive Independent Director</th><th>Non Executive Director</th></tr>
<tr><td>All elements of remuneration package such as salary, benefits, stock options, pension etc. of all Directors</td><td>Annual Gross Salary: Within the range between Rs. 13.80 million to Rs. 27.60 million per annum with annual increments effective 1st April each year as may be decided by the Board, based on merits and taking into account the Company's performance for the year. The benefits, perquisites and allowances will be determined by the Board of Directors from time to time.</td><td rowspan="2">The Remuneration is paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and such other applicable regulations, subject to an amount of Rs. 2.25 million p.a.

Remuneration will be paid in proportion to the term served in the Company, during the year.</td><td rowspan="2">Nil</td></tr>
<tr><td>Details of fixed component and performance linked incentives along with performance criteria</td><td>Annual Gross Salary: Rs. 13.80 million p.a.

Annual Performance Bonus: Upto Rs. 13.80 million

The actual entitlement out of Annual Performance Bonus will be decided by the Board of Directors and will be merit based taking into account the Company's performance while factoring key parameters like:
- Profitability (PAT, PBT, OPM)
- Return on shareholders' investment
- Statutory compliances
- revenue and revenue quality</td></tr>
<tr><td>Service contract, notice period, severance fees</td><td>The tenure will be subject to termination by 3 (Three) months prior notice in writing on either side, and all other terms are as per the Company policy.</td><td colspan="2">Pursuant to the provisions of the Companies Act, 2013 and other relevant regulations</td></tr>
<tr><td>Stock option details.</td><td>N.A.</td><td>N.A.</td><td>N.A.</td></tr>
</table>

The details of remuneration paid/payable to Directors for FY2021 are provided in the Corporate Governance Report forming part of this report.

36. EMPLOYEES' STOCK OPTION SCHEME/PLAN

Pursuant to the applicable requirements of SEBI (Share Based Employee Benefits) Regulations 2014, your Company had framed and instituted Employee Stock Option Plan 2015 ('ESOP Scheme 2015') to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

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

The Company has granted stock options from time to time to its employees and also to employees of its subsidiaries, and the disclosure in compliance with SEBI (Share Based Employee Benefits) Regulations 2014 is available on the Company's website at https://eclerx.com/investor-relations/financials/.

All Equity Shares of the Company arising consequent to exercise of options under ESOP Scheme 2015 shall rank *pari-passu* in all respects including dividend with the existing equity shares of the Company.

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 has prescribed certain corporate governance standards vide Regulations 24 and 27 of the Listing Regulations. Your Directors re-affirm 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. 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: August 13, 2021

Pradeep Kapoor
Chairman

ANNEXURE I

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, 2021

Form AOC - 1

Part A : Subsidiaries

(Rupees in Millions)

Name of Subsidiary	Reporting Financial Period ended	The date since when subsidiary was acquired	Reporting Currency	Exchange Rate as on March 31, 2021	Issued and Subscribed share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment other than investment in subsi-diaries	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
Eclipse Global Holdings LLC	March 31, 2021	December 23,2020	USD	73.1661	NA	319.37	424.45	105.09	-	-	137.31	-	137.31	-	100%	NA
Personiv Contact Centers LLC	March 31, 2021	December 23, 2020	USD	73.1661	NA	497.02	616.24	119.22	-	187.82	122.80	0.94	121.86	-	100%	NA
ASEC Group, LLC	March 31, 2021	December 23, 2020	USD	73.1661	NA	601.85	719.47	117.62	-	425.25	23.32	10.34	12.98	-	100%	NA
AGR Operations Manila Inc.	March 31, 2021	December 23, 2020	USD	73.1661	12.53	251.03	339.83`	76.27	-	176.22	17.55	2.24	15.31	-	99.99%	8,300,000
AG Resources (India) Private Limited	March 31, 2021	December 23, 2020	INR	NA	0.1	250.55	314.80	64.25	-	84.22	6.56	4.42	2.13	-	99.98%	10,000
Personiv Contact Centers India Private Limited	March 31, 2021	December 23, 2020	INR	NA	350.25	134.99	859.57	374.33	-	237.00	63.52	3.48	60.04	-	99.85%	35,024,806
eClerx Limited	March 31, 2021	April 01, 2007	GBP	100.9569	34.61	269.85	469.62	165.16	-	612.97	59.75	14.63	45.12	-	100%	100
eClerx LLC	March 31, 2021	April 01, 2007	USD	73.1661	101.58	3703.51	4420.84	615.75	-	3099.24	166.81	42.58	124.23	-	100%	100
eClerx Private Limited	March 31, 2021	December 29, 2009	SGD	54.4295	5.57	137.03	182.18	39.58	-	271.75	7.51	(0.17)	7.68	-	100%	1
eClerx Canada Limited	March 31, 2021	September 23, 2016	CAD	58.2008	2.91	3.89	12.74	5.94	-	34.41	3.90	1.00	2.90	-	100%	50,000
eClerx Investments (UK) Limited	March 31, 2021	March 14, 2015	INR	NA	1,808.64	49.02	1858.05	0.39	-	-	(1.54)	(9.60)	8.06	-	100%	18,686,112
eClerx BV	March 31, 2021	May 6, 2020	EUR	85.9221	4.30	3.08	9.92	2.54		22.43	3.73	0.62	3.11		100%	50,000
CLX Europe S.P.A	March 31, 2021	April 22, 2015	EUR	85.9221	2,003.00	(504.77)	2434.84	936.61	-	1,536.74	121.43	58.20	63.23	-	100%	35,885,448
CLX Europe Media Solution GmbH	March 31, 2021	April 22, 2015	EUR	85.9221	43.93	233.47	325.80	48.40	-	222.93	24.40	8.05	16.35	-	100%	511,292
CLX Europe Media Solution Limited	March 31, 2021	April 22, 2015	GBP	100.9569	0.0002	89.81	194.35	104.54	-	312.87	4.01	0.84	3.17	-	100%	2

Part B : Associate Companies

Sr. No	Name of Associate	CLX Thai Company Limited (Thailand)
1	Latest audited Balance Sheet Date	March 31, 2021
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	18.53
7	Profit/ Loss for the year	5.13
	i) Considered in consolidation	2.53
	ii) Not considered in consolidation	2.60

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

PD Mundhra
Executive Director

Biren Gabhawala
Director

Place: Mumbai
Date: August 13, 2021

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

ANNEXURE II

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,

The Members,
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 compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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 March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment ~~and External Commercial Borrowings~~;

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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

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

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

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

We further report that:

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

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

a) The Nomination and Remuneration Committee at their meeting held on June 9, 2020 has granted 3,18,080 options at an exercise price of Rs. 413.03 per share pursuant to the Employee Stock Option Scheme 2015 of the Company.

b) Pursuant to the approval of Board of Directors at its meeting held on July 6, 2020, the Company bought back 20,93,815 (Two Million Ninety-Three Thousand, Eight Hundred Fifteen) Equity share at an average price of Rs. 522.97/- each and the said buy back was completed on July 22, 2020.

c) The members of the Company at the Annual General Meeting held on September 29, 2020 declared a dividend of Re. 1 per share.

Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of the documents made available to us in electronic form (i.e. through email) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

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

Dipti Mehta
Partner
FCS No: 3667
CP No: 23905 UDIN: F003667C000441271

Place: Mumbai
Date: June 10, 2021

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

ANNEXURE A

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

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

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

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

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

4) Wherever 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: 23905 UDIN: F003667C000441271

Place: Mumbai
Date: June 10, 2021

ANNEXURE-III

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

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

I. Conservation of Energy

The steps taken or impact on conservation of energy:

Due to work from home scenario, the Company was able to save around 27 lakh units in FY2021 as compared to FY2020.

II. Technology Absorption

The efforts made towards technology absorption:

Technology is a focus area for us and it is an integral part of the delivery that the company does across any client or service line. The company continues to build on its investments in a large Software team including a R&D centre. The company has developed innovative solutions and products using technologies around Robotics Process Automation (RPA) and Artificial Intelligence & Machine Learning (AIML). The technology team works closely with our clients, onshore team and operations team to identify opportunities for deployment of technology solutions. By including AIML and RPA based technology components in our operations delivery, we are able to improve the benefits delivered to our clients. This Software team has developed new capabilities as part of its cognitive automation framework – called Kaiza Framework. This framework enables us to deliver use cases for our clients in areas like Natural Language Processing, Image Processing, Text Mining, Virtual Assistants and Inferential Analytics. Our team is trained and certified on more than 72 market leading technologies.

The Company is also CMMI Level 3 apprised and its technology team has been a recipient of various industry leading awards from NASSCOM, CIO forums and CSO forums. These awards are for our products and the use cases that we have implemented for our clients.

III. Foreign Export Earning and Expenditure

(Rupees in Million)

	2020-21	2019-20
Total Foreign Exchange Earnings	11,835.64	11,022.89
Foreign Exchange Used	2,577.17	2,703.65

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 13, 2021

Pradeep Kapoor
Chairman

ANNEXURE-IV

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

ANNUAL REPORT ON CSR ACTIVITES

1. **Brief outline of the company's CSR policy, including overview of projects or programs:**

The role of Corporate Social Responsibility (CSR) has become critical as forward-thinking, socially conscious organizations embed initiatives in their business practices that benefit societies, build healthy communities, sustain cultures, and ensure environmental well-being.

eClerx as a responsible corporate citizen has a wide-focus lens of enabling communities and youth through initiatives that pivot on employability and education. Over the years, the Company has partnered with credible implementing agencies for rollout of programs which focus on these areas while ensuring increased participation of various stakeholders. The end goal of our CSR programs is to create scalable, sustainable and replicable models of impact in order to ensure maximum benefit for our beneficiaries.

The Company continues to earmark a corpus every year for CSR activities. However, we strongly believe such contributions is just the first step. We believe in engaging the entire organization to contribute through used material donations, volunteering time and effort and engaging with beneficiaries of the projects we sponsor wherever possible.

The eClerx Cares team under the guidance of the CSR Committee is responsible for championing all philanthropy and CSR initiatives of the Company. The mission of eClerx Cares is to act as a catalyst for the identified programs in education and employability and mobilize our employees around it.

The underlying guidelines of our CSR vision are as follows:

1. We will support interventions from adolescence to adulthood (from approx. age 10 to 30), that span multi-year in order to create transformational outcomes. The aim is to provide a life changing trajectory experience for the people we support and hopefully bring them out of poverty.
2. We will choose 'flagship programs' to work with in the vicinity of our office locations, Mumbai, Pune and Chandigarh, so we can provide engagement opportunities for our volunteers which will also help us create a culture of giving within the Company.
3. We will also allocate certain budget for programs recommended to us by our stakeholders including employees, clients, industry bodies, and government departments, in order to develop stronger associations with them.

Overview of projects or programs

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

Flagship Projects

1. Social Action for Manpower Creation (SAMPARC): eClerx supports a holistic tribal development project in 70 villages of Mulshi, a sub-district in Lonavala region through various interventions. More than 4,500 individuals were directly impacted though various activities like livelihood support for tribal people, school and hostel facilities for tribal and orphan students, higher education support for the senior children of the shelter home, vocational training for school drop-outs and assistance with legal documents enabling government scheme benefits.

   COVID-19 necessitated a pivot in the way projects were being executed by SAMPARC. As physical interaction with beneficiaries was no longer feasible, SAMPARC invested in digitization to ensure uninterrupted delivery of educational programs and training for students enrolled in its vocational courses. Training was specifically provided to all facilitators and team members on the nuances of conducting online classes. As children could no longer attend school, WhatsApp groups were created by teachers for each grade and class in order to share notes and coursework. A similar approach was adopted by the instructors for delivering curriculum for vocational training courses.

   Children studying under SAMPARC supported projects were completely cut-off from classrooms which provided the apt environment for their overall development. To overcome this challenge and for any other issues the children may face, online counselling sessions were started to ensure their uninterrupted growth and development.

   With physical meetings no longer possible and as a majority of SAMPARC projects rely on in-person interaction with beneficiaries, confidence building initiatives including continuous communication via WhatsApp and other means were initiated. At an organizational level, regular virtual meetings were conducted for all members to provide them with access to support and guidance for ensuring optimum project delivery, and measures were adopted to strengthen cohesiveness and collaboration within the SAMPARC ranks.

2. Make a Difference, Cochin: Make A Difference (MAD) works with 60 shelters in 23 cities with a vision that all children and youth in the age of 10 to 28, in need of care and protection are able to realise long-term outcomes equitable with the middle class. These outcomes are - they should have a reasonable quality of life, and they are free from exploitation and have the ability to cope with life crisis. eClerx currently supports their pioneering, holistic and age-transitional model for such children. Over 150 children are presently being supported by Make a Difference under the eClerx partnership across 6 shelter homes in Mumbai, Pune, and Chandigarh.

   To ensure project sustainability during the COVID-19 pandemic, MAD decided to focus only on delivery of critical project components and put other exploratory projects on the backburner. One of the biggest challenges faced by MAD was that shelter homes did not have access to technology to ensure continuity of education, and were not geared for remote learning. To overcome this, internal resources were redirected to the 'Going Digital' strategy which focused on digitization of curriculum and provision of over 40 digital aids including laptops and tablets to eClerx supported shelter homes. Along with children, youth are a critical focus of MAD and ensuring that they find gainful employment is an integral part of the organization's programs. Despite facing several hurdles and a stagnant job market, MAD was able to achieve 100% placement of the youth supported by their programs. This was done by leveraging their professional networks which include youth who over the years have transitioned out of MAD.

   With volunteers forming an important component of project delivery at MAD, a sharp focus on digitization also enabled the organization to revamp its recruitment process. By leveraging technology, around 1,000 volunteers were successfully on-boarded. Ensuring continuous delivery of programs despite the multitude of internal and external challenges and achieving 60% retention of volunteers were some of the biggest achievements for MAD in a year that posed challenges for development sector organizations across India.

3. Jyoti Sarup Kanya Asra Society (JSKAS): JSKAS is a shelter home aiming to help the destitute, abandoned and orphaned girls in Chandigarh. eClerx supports the entire educational expenses of 130+ girls that are currently residing in JSKAS. eClerx in the past has also supported the development of a computer lab and construction of a new facility to accommodate increasing number of girls.

   Like the majority of the students across the country, children supported by JSKAS were not prepared for the abrupt shutdown of schools and colleges in Chandigarh and the subsequent movement to online classes. While there was uncertainty with respect to the continuity of education, the computer lab which was setup by eClerx in the past ensured online classes could be conducted in a seamless and uninterrupted manner.

   One of the critical challenges faced by the students was the discontinuation of after-school supplementary education provided by tuition teachers on account of the nationwide lockdown and the subsequent local restrictions. In this scenario, the senior students of JSKAS doubled up as 'support teachers' to ensure there were no gaps in the learning process of children from the junior grades.

   The management of JSKAS was instrumental in ensuring that despite the uncertainties faced by children, no child was deprived of access to quality education and had a safe and secure environment to stay and learn.

Stakeholder Programs:

1. Kaveri Vanita Sevashrama (KVS)**:** eClerx supports the entire educational expenses of over 40 orphan children of Kaveri Vanita Sevashrama including school and college fees. Under this partnership daily provisions and the nutritional requirements of the children are also covered. In FY2020-21, eClerx also supported the digitization initiatives at KVS to ensure uninterrupted education for students who could not attend school on account of the COVID-19 pandemic.

2. Seva Sadan Society: Seva Sadan runs a school for underprivileged children and a shelter home for destitute women and girls in Mumbai. eClerx currently supports over 200 children in their English medium schooling. These children hail from marginalized communities and are provided quality education at a highly subsidized cost.

   Online classes were successfully conducted for the pre-primary section all the way till Standard 8 with class attendance close to 100%. To ensure teachers have the necessary skills to successfully conduct classes in the new era of 'remote learning', webinars were conducted to introduce them to effective online teaching methods, pedagogies, tools and best practices of delivering online classes.

3. Aarti Creative School: eClerx supports a bridge training program for about 350 students of poor migrants in the Kadapa town of Andhra Pradesh. A unique and creative approach is used to get these first-generation learners interested in education. Along with providing age-appropriate numeracy and literacy skills, students are taught various arts like music, pottery, yoga, etc. to keep them motivated to learn more. Students are then brought into the mainstream education after they complete a year's bridge school.

   For a majority of parents of children studying in Aarti Creative School, smartphones are a luxury and hence conducting only online classes was not a feasible option. To ensure the digital divide is minimized, the staff prepared worksheets which were delivered to the homes of the children to maintain continuity in education. Incentives in the form of nutritional supplements and/or personal hygiene items were also provided with each worksheet. Weekly conference calls were arranged between the teachers and the parents to ensure constant communication for addressing any gaps in learning and to solve any doubts the parents and children may have.

4. Bosconet: We have assisted in creating an online portal to support migrants with their job search, skill enhancements and other basic necessities like food, accommodation, health, legal support, schools, etc. These services are being delivered through both online (website and Android app) as well as physical centers of Don Bosco across India. In the current year, over 1,900 youth were provided employment opportunities and supported under the multiple offerings of Bosconet.

   As a platform which provides employment opportunities to youth, the major problem faced by Bosconet was the sudden shutdown of industries and the resultant challenge of connecting youth with jobs. As a majority of youth enrolled on the Bosconet platform are migrants and as travel from their hometown was no longer possible, there was a sudden spurt in demand for local employment. This also led to a unique challenge for certain industries which depend on workforce with specific skill sets. To mitigate this, Bosconet ensured that companies which were open to recruiting provided safe transportation and additional facilities for the youth who were selected for employment. With thousands of job seekers registered on their online platform, Bosconet ensured continuous engagement via training sessions and provided them with any additional support the youth may require. For migrant youth who had travelled from their hometowns and were stuck on account of the nationwide lockdown, and for those who faced sudden loss of employment, assistance in the form of accommodation and health services was provided. Open and constant communication with employment partners and the youth ensured that once the lockdown restrictions were relaxed in the latter part of the year, Bosconet was in a position to rapidly mobilize job seekers and connect them with relevant opportunities which were available in the market. This helped mitigate the enormous challenge of unemployment faced by the beneficiaries.

COVID-19 and eClerx CSR

COVID-19 impact on CSR projects

The impact of COVID-19 was felt across all CSR programs at eClerx. With the sudden closure of schools and the resultant disconnect between students and classrooms, there was an urgent need to ensure continuity of education. In such a scenario, our CSR partners innovated in multiple ways to ensure that while children could not attend school physically, learning would continue uninterrupted. Creating WhatsApp groups of teachers and students to ensure continuity of learning, creation of educational worksheets which teachers and community members hand delivered to students and an enhanced thrust on digitization of curriculum and deployment of digital education were some of the key measures undertaken by our CSR partners and supported by eClerx.

eClerx has stood steadfast by our partners via our continued support during such uncertain and difficult times and ensured they had access to eClerx CSR resources in every way possible to ensure project continuity.

COVID-19 response for communities

The COVID-19 pandemic has had a far reaching impact on society. Lack of access to quality healthcare, challenges of food security and increasing unemployment were some of the critical challenges faced by communities at large. To ensure we are able to respond adequately and in a structured manner, eClerx partnered with United Way of Mumbai for immediate relief measures and with GOONJ for long term support to address the challenges of access to nutrition and unemployment faced by the migrant populace.

eClerx along with contributions from its employees supported nearly 1,600 families across multiple interventions. Dry ration kits were provided to over 1,500 families who had lost access to food and nutrition on account of loss of jobs and displacement. Livelihood support was provided to around 73 families who faced loss of employment due to reverse migration, enabling them to re-start their lives in their own hometowns and villages.

Employee Engagement

While the eClerx Cares Committee monitors the project funding for different implementing agencies, the eClerx Cares Council, consisting of employee volunteers at each location, champion our employee engagement initiatives.

Virtual Volunteering Initiatives

On account of the COVID-19 pandemic, volunteering activities were moved to the virtual space. Despite the challenges of adopting a new medium of engagement, eClerx volunteers wholeheartedly contributed their time towards multiple initiatives. Over 400 employees contributed nearly 5,900 volunteer hours over the course of the year. Some of the activities that were conducted are listed below:

1. eClerx volunteers partnered with Samarthanam Trust for the Disabled for recording of audiobooks for the visually challenged.
2. To ensure underprivileged youth have the necessary skills and aptitude to successfully attend job interviews, eClerx volunteers assisted Bright Future in conducting multiple mock interview sessions.
3. In partnership with Goodera, eClerx volunteers supported a plethora of initiatives. Some of the key engagements included resume building for the underprivileged youth, translating stories and recording them in regional languages, and building curriculum and English lesson plans for children.

Response to natural calamities and disasters

Over the past year, India has faced the brunt of a number of natural calamities and disasters. Amongst them Cyclone Amphan and the Assam floods caused destruction and loss at an unprecedented scale. To provide support to the people impacted by these disasters, eClerx partnered with GOONJ to support approximately 900 families impacted by the cyclone and floods via contribution of relief material which included blankets, utensils, solar lights, dry ration, clothes, etc.

Stakeholder Project Engagement

Payroll Giving - We have an existing tie up with Nanhi Kali which is a program to promote girl child education managed by K.C. Mahindra Education Trust. This year, more than 430 employees contributed a part of their salaries towards payroll giving. eClerx as a responsible corporate citizen matched contribution made by each employee. We currently sponsor the education of over 400 girl children across 125 schools through employee and eClerx's matching contribution.

2. Composition of CSR Committee:

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Deepa Kapoor	Chairperson (Independent Director)	4	4
2	Mr. Anish Ghoshal	Member (Independent Director)	4	4
3	Mr. Biren Gabhawala	Member (Independent Director)	4	4
4	Mr. P D Mundhra	Member (Executive Director)	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:
https://eclerx.com/investor-relations/corporate-governance/

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:
Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:
Not Applicable

6. Average net profit of the company as per section 135(5):
Rs. 2,763 million

7. (a) Two percent of average net profit of the company as per Section 135(5):
Rs. 55.28 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
Not applicable

(c) Amount required to be set off for the financial year if any:
Not Applicable

(d) **Total CSR obligation for the financial year (7a+7b-7c):** Rs. 55.28 million

8. **(a) CSR amount spent or unspent for the financial year:**
Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:
Not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:
Refer sheet annexed.

(d) Amount spent in Administrative Overheads:
Rs. 2.76 million

(e) AmountspentonImpactAssessment,ifapplicable:
Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):
Rs. 55.28 million

(g) Excess amount for set off, if any:
Not Applicable

Sr. No	Particulars	Amount (in Rs. million)
I.	Two percent of average net profit of the company as per Section 135(5)	55.28
II.	Total amount spent for the Financial Year	55.28
III.	Excess amount spent for the financial year [(ii)-(i)]	0
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. **(a) Details of Unspent CSR amount for the preceding three financial years:**

Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s): Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. **Specify the reasons, if the Company has failed to spend two percent of the average net profit as per Section 135 (5):**
Not Applicable

PD Mundhra
Executive Director
Place: Mumbai
Date: August 13, 2021

Deepa Kapoor
Chairperson of CSR Committee
Place: Delhi
Date: August 13, 2021

Annexure to point 8(c) of Annual Report on CSR activities

Sr. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)#	Location of the Project		Amount spent for the project (in Rs. Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Tribal development program focusing on education, livelihood generation and vocational training	ii & iii	Yes	Maharashtra	Pune	16.00	No	Social Action For Manpower Creation-Samparc	CSR00003752
2	Educational support for the most vulnerable children in 6 child care institutions (CCI) across Mumbai, Pune and Chandigarh	ii	Yes	Maharashtra	Mumbai/Pune	7.00	No	Make A Difference Cochin	CSR00001472
				Chandigarh	Chandigarh				
3	Providing educational, health and supporting hostel facilities for orphan girl children in Chandigarh	ii & iii	Yes	Chandigarh	Chandigarh	5.00	No	Jyoti Sarup Kanya Asra Society	CSR00005877
4	Educational support for abandoned and underpriviliged children in Kadapa, Andhra Pradesh	ii & iii	No	Andhra Pradesh	Kadapa	6.70	No	Vijay Foundation Trust (Association)	CSR00004431
5	Educational support for children from lower-income group studying in the English Medium School in Mumbai	ii	Yes	Maharashtra	Mumbai	3.40	No	Seva Sadan Society	CSR00003387
6	Job Placement Network - Livelihood and employability support for youth	ii	No	Delhi-NCR	Delhi	3.00	No	Bosconet	CSR00001441
				Nagaland	Dimapur				
				West Bengal	Kolkata				
				Jharkhand	Ranchi				
				Telangana	Hyderabad				
				Karnataka	Bengaluru				
				Tamil Nadu	Chennai and Trichy				
7	Educational, health and support towards hostel facilities for orphan children in rural Bengaluru	ii & iii	No	Karnataka	Bengaluru Rural	2.00	No	Kaveri Vanita Sevashrama	CSR00005898
8	Educational scholarship for the girl children in Pune	ii	Yes	Maharashtra	Pune	1.00	No	Aatmaja Foundation	CSR00006339
9	Educational support for underpriviliged children in Subathu, Himachal Pradesh	ii	No	Himachal Pradesh	Solan	1.00	No	Shanti Niketan Childrens Home	_
10	Disaster relief support for the underpriviliged	ii & xii	No	Maharashtra	Beed / Vardha	4.00	No	Goonj	CSR00000291
				Tamil Nadu	Chennai				
				West Bengal	South 24 Parganas / North 24 Parganas				
				Odisha	Balasore				
				Assam	Baksa				
11	Dry ration kit support for the underpriviliged impacted by COVID19 pandemic	i & xii	Yes	Maharashtra	Mumbai / Pune	2.32	No	United Way Of Mumbai	CSR00000762
				Chandigarh	Chandigarh				
12	Educational support for underprivileged girl children	ii	No#	Maharashtra	Mumbai / Nashik / Pune	1.10	No	K C Mahindra Education Trust	CSR00000511
				Punjab	Moga				
				Uttar Pradesh	Prayagraj				

#CSR projects run exclusively in Mumbai, Pune and Chandigarh are being considered as run in 'Local Areas'

TOTAL	**52.52**
ADMIN EXP	**2.76**
TOTAL CSR EXP	**55.28**

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report is presented as prescribed under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Rupees in million)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>2020-21</th><th>2019-20</th></tr>
<tr><td>1</td><td>Paid up Capital (Rs.)</td><td>348.90</td><td>369.83</td></tr>
<tr><td>2</td><td>Total Turnover (Rs.)</td><td>12,367.85</td><td>11,741.68</td></tr>
<tr><td>3</td><td>Total profit after taxes (Rs.)</td><td>2,389.04</td><td>1,235.71</td></tr>
<tr><td>4</td><td>Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)</td><td>2.00</td><td>2.00</td></tr>
<tr><td rowspan="3">5</td><td colspan="3">List of activities in which expenditure in 4 above has been incurred:-</td></tr>
<tr><td>a) Education and Employability</td><td>48.63</td><td>67.12</td></tr>
<tr><td>b) Disaster Relief</td><td>6.65</td><td>2.95</td></tr>
</table>

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

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

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

(b) Details of the BR head

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

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

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

Sr. No.	Particulars
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Wherever applicable, policy conforms to relevant national/ international standards.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	NA	Y	Y	Y	NA	Y	Y	NA
		Wherever mandated by the applicable laws, rules and regulations, the policies have been approved by the Board and signed by the Executive Director.								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	NA	Y	Y	Y
		The implementation of the policy is being overseen by the Committee/Director/Official, wherever mandated by the applicable laws, rules and regulations, in force.								
6	Indicate the link for the policy to be viewed online?	Refer the links given 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
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 stakeholders and takes care of grievance redressal from inside and outside the organization**

Sr. No.	Name of the policy(ies)	Website Link
P1	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy- 01.04.2019.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/09/Code-of-Conduct.pdf
	Policy for determining material events or information and its disclosures	https://eclerx.com/wp-content/uploads/2019/09/PolicyOnDisclosureOf MaterialEvents.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2019/09/Anti-Bribery-Anti-Corruption-Policy.pdf
P2	Information Security Policy	Available on the Intranet
P3	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Environment, Health & Safety Manual	Available on the Intranet
	HR Policies	
P4	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/09/Code-of-Conduct.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2019/09/Anti-Bribery-Anti-Corruption-Policy.pdf
P5	Environment, Health & Safety Manual	Available on the Intranet
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/09/Code-of-Conduct.pdf
P6	Environment, Health & Safety Manual	Available on the Intranet
P7	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors and Senior Managerial Personnel	https://eclerx.com/wp-content/uploads/2019/09/Code-of-Conduct.pdf
	Corporate Social Responsibility Policy	https://eclerx.com/wp-content/uploads/2021/06/CSRPolicy10062021_KM.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2019/09/Anti-Bribery-Anti-Corruption-Policy.pdf
P8	HR Employee Handbook	Available on the Intranet
	Whistle Blower Policy and Vigil Mechanism	https://eclerx.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-01.04.2019.pdf
	Code of Conduct for Board of Directors	https://eclerx.com/wp-content/uploads/2019/09/Code-of-Conduct.pdf
	Corporate Social Responsibility Policy	https://eclerx.com/wp-content/uploads/2021/06/CSRPolicy10062021_KM.pdf
	Anti-Bribery & Anti-Corruption Policy	https://eclerx.com/wp-content/uploads/2019/09/Anti-Bribery-Anti-Corruption-Policy.pdf
P9	Information Security Policies and Data Privacy policies	Available on the Intranet

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

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

3. Governance related to BR

Sr. No.	Particulars	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors reviews the BR performance through the Business Responsibility Report annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BR Report is being published annually as a part of the Annual report and available on the website of the Company i.e. www.eclerx.com. A separate Sustainability report for FY2021 is also made available on the website of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

Sr. No.	Particulars	
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?	• The Code of Conduct is applicable to our Board of Directors and employees of the Company including employees of subsidiaries and associate companies. • The scope of the Code is extended to such persons as Board of Directors may deem fit. • The Code of Conduct, Whistle Blower Policy, Vigil Mechanism and Anti-Bribery Anti-Corruption Policy covers and extends to subsidiaries, Vendors, Suppliers, Contractors, NGOs and Others.

2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	• All the notices that were received from the government authorities have been disclosed, as applicable. • All the investor complaints that were received during the year have been disclosed in Section I(C) of the Corporate Governance Report. • The Company received 4 complaints under the POSH Act, out of which no complaint was pending at the end of the financial year. • There were no other significant complaints pending against the Company from any other stakeholders.

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

Sr. No.	Particulars	
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	• Asset Recovery Services: Company provides an environment friendly, safe and secure way to dispose off computer equipments. There are four key features to this: (1) Scheduling, (2) Pick-Up, (3) Processing and (4) Reporting, wherein Company supports on check processing for a customer. • DocIntel, our document risk review platform works on scanned images of documents to extract details that are to be validated by our clients. This platform reduces the necessity of printing legal documents for a thorough validation against system by users (as they are used to marking progress on paper documents). • Avoidable Truck Roll: Company is among pioneers of this process wherein it helps minimise the Client representatives' visit of truck loads to customers' place hence saving in terms of carbon emission and fuel. • Fleetstar, our product for Employee Transportation management, incorporates optimization algorithms that reduce the number of vehicles and trips that have to be used to serve the employees, while considering the constraints of employee travel time and employee safety. This reduces fuel usage and environmental impact due to longer running of vehicles. Fleetstar incorporates employee safety features, especially for women employees - including SOS alerts, IVR based drop confirmation calls, vehicle routing such that a woman employee is not the last passenger to be dropped.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): (a) Reduction during sourcing/ production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Since the Company operates in ITES, no products are offered as such.

3	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	• The Company uses GPS enabled mobile app technology, to optimize the route for employee transportation vehicles. • The Company has moved from conventional lighting to LED which is more energy efficient. • Similar process is followed in UPS Room as well, in order to enhance energy efficiency • Thin-Clients used across facilities help in achieving energy efficiency. • Managed Print Services with the help of Access Card helps in reducing paper wastage/ink etc. • Cold aisle containment has been implemented in Pune and Mumbai data centers to achieve better cooling efficiency which reduces the electricity consumption greatly.
4	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	• The House-keeping/Security are locally sourced in all facilities. • Vendor Invoice Management System has been launched for vendors. The said process helps in digitizing small vendors wherein they can submit the invoices from their offices. Regular training is also provided to these Vendors.
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	• The Environment, Health and Safety Policy guides Company's efforts on optimum and responsible use of resources, recycling, reuse.

Principle 3: Businesses should promote the wellbeing of all employees

Sr. No.	Particulars	
1	Please indicate the Total number of employees	Global Headcount is more than 11,900
2	Please indicate the Total number of employees hired on temporary/contractual/ casual basis	
3	Please indicate the Number of permanent women employees	More than 4,100
4	Please indicate the Number of permanent employees with disabilities	16
5	Do you have an employee association that is recognized by management?	Company does not have an employee association.

6	What percentage of your permanent employees are members of this recognized employee association?	Not Applicable		
7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	**Category**	**No. of complaints filed during the financial year**	**No. of complaints pending as on end of the financial year**
		Child labour/forced labour/ involuntary labour	0	0
		Sexual harassment	4*	0
		Discriminatory employment	0	0

* During FY2021, 4 cases of sexual harassment were reported; all cases have been addressed satisfactorily within the defined timelines. In all 4 cases, respondents were found to be guilty and appropriate actions have been taken.

8	What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?	Owing to lockdown, no fire safety training or drill was carried out last year. However, the number of hours for skilling related training were increased Year over year and additional training was provided for maintaining data security while working from home.

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

Sr. No.	Particulars	
1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	• Company continues to earmark a corpus every year for CSR activities, by supporting initiatives in education and employability to help improve the lives of underprivileged. • Out of approx. 276 vendors, 61 of them are MSME vendors. • The majority of Board of Directors, comprises of independent directors, which helps in safeguarding interests of minority shareholders.

Principle 5: Businesses should respect and promote human rights

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

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

Sr. No.	Particulars	
1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others	• The policy extends to Suppliers/Contractors/NGO's/others. • The Company has taken initiatives under Sustainable Procurement to assess the level of awareness /commitment to, and support of green, local businesses by its Suppliers and Contractors. • Compliance certification obtained from select /key Suppliers
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	• Water conservation through sensor taps • Installation of aerators to further reduce water consumption • Use of glass bottles in place of plastic bottles • Minimal use of paper & plastics • Printers with document select option to avoid unnecessary prints • Communication channels like poster, videos on awareness of environment and safety • Segregation of dry & wet garbage • Wet garbage collected by landlord to convert it in manure • Energy efficient UPS systems gives 96% to 99% power efficiency at all times due to advance power saving technology. • Floor & Data center temperature set points raised by 1Deg to save overall energy consumption.
3	Does the Company identify and assess potential environmental risks? Y/N	Yes, the Company identifies and assesses potential environmental risks and as our contribution to the environment, elaborated below are the initiatives taken by the Company: • Water conservation through sensor taps • Minimal use of paper & plastics • Segregation of dry & wet garbage • Wet garbage collected by landlord to convert it in manure • Energy efficient UPS systems gives 96% to 99% power efficiency at all times due to advance power saving technology. For UPS system, selection of Li-Ion batteries over Lead acid batteries which are having more usable life & less hazardous.
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.	All eClerx premises in India are rental premises and considering this, it is difficult to do any plant installation for generating renewable energy, however in all the premises, landlord is having solar plant installation or tie-up with renewable energy suppliers.
6	Are the emissions/waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	No emissions are generated by the Company and waste generated is discarded by the building management team through certified service providers.
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 notices issued as on end of financial year

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

Sr. 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)	We do not directly lobby for such purpose. We communicate our issues through Industry body NASSCOM, which takes up the matters common to our industry with relevant stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

Sr. No.	Particulars	
1	Does the Company have specified programmes initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof	• Industry experts/stalwarts from specialised practice areas are invited for guest talks. • Tie-up with two global eLearning providers to upskill employees 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 executed internally (in-house) via eClerx Cares Team as well as externally with the help of NGOs (implementing agencies) which have been listed in the Corporate Social Responsibility section in the Annual Report.
3	Have you done any impact assessment of your initiative?	• Given the current situation, assessment of our current portfolio has been done internally. • NGOs are required to submit an impact analysis report and a report on funds utilisation with the Company. • CSR Committee and the Board of Directors review all initiatives taken by the Company on periodic basis.
4	What is your Company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken?	The total CSR spend for FY2021 was Rs. 55.28 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 CSR are taken up with the intent of delivering quantifiable long-term benefits, instead of ad-hoc activities and interventions. The continued monitoring and enhancement of the efforts aims at encouraging and increasing support from the local communities to help us achieving the intended purpose(s). In addition, participation by eClerx Cares committee, volunteers and an impact assessment process ensures successful adoption by communities.

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

Sr. No.	Particulars	
1	What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	None 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 to us.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	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

The Indian BPM sector grew by 2.1% YoY to be a $34 billion industry, as reported by NASSCOM (National Association of Software and Services Companies).

Vaccine rollouts reinvigorated global growth expectations for 2021, and technology spends have shown an uptick owing to growth across enterprise software and IT services. Sequentially, as well as YOY basis, all regions and verticals have registered a growth in revenue. Overall, India's macroeconomic growth is expected to recover this year.

Fixed price revenue share declined to 56.9% as demand showed a steady recovery. Aligned with this, client metrics have continued to improve, maintaining the industry-wide growth trend.

II. BUSINESS PERFORMANCE

Financial Markets

FY 2021 proved to be a unique year in Financial Markets as the industry came to terms with working from home. Our exceptional response to the Covid-19 pandemic created notable growth in several of our large core clients as they looked to trusted partners for additional support. Our current clients found our blend of deep operations domain tightly coupled with technology to be a compelling solution in the covid environment. Automation and Analytics continued to grow as a theme across our book of work driving projects to improve the control and monitoring of functions. With the success of the new focused solutions group, we have added resources and set aggressive targets to strengthen our solutions through additional technology, analytics, and automation components. A heightened risk aversion, however, created higher barriers to new sales outside the current client base. This expanded the timeline to build new market relationships. Delays in decision-making slowed the natural progression of the pipeline, which has resulted in a robust pipeline at year-end and good momentum entering the new fiscal year.

Digital

The Covid-19 pandemic brought a great deal of uncertainty at the beginning of FY2021 for the digital business especially in industry verticals like travel and retail. While H1 was particularly challenging as our clients and operations adjusted to the new normal, an increased demand for digital services across many of our client sectors reversed the shortfall created in H1. The fashion and luxury sector experienced a significant shift to digital and eCommerce became their primary sales channel for the first time. This trend of shift to digital continued across most client sectors and drove demand for all our services in second half of the fiscal year – Analytics, Creative, CGI, New product launches, Email campaigns and A/B testing.

Customer Operations

As the fiscal year began, much of our industry was deep in the throes of ongoing Covid-19 contingency and struggling to handle the resultant impacts to contact center staffing. Owing to our rapid redeployment of Work-at-Home resources and recovery to full staffing that outpaced many industry peers, the Customer Operations team strengthened relationships with our major clients, protected our 2nd half revenue, and secured new logos and growth. Among the highlights, we landed a sizable opportunity to support flagship subscription-based streaming service of a key client; we secured a large engagement with the same client as part of the ramp-up to support the Tokyo Olympics; we nearly doubled our revenue from our National Rental Car RPA (Robotics Process Automation) engagement, and we won a still-growing Voice support and Speech Analytics engagement with a new client. Our efforts to use analytics and technology to enhance customer experience, drive positive results, and aid in Covid-related business continuity earned eClerx the prestigious Most Innovative Partner for 2021 award from a key client, which validates our value proposition and forward looking strategy to our clients and prospects.

Personiv

eClerx acquired Personiv group in end of the 3rd quarter of FY2021. Prior to the start of FY2021, Personiv's legacy enterprise clients somewhat tempered their spend in response to the global pandemic and the associated uncertainty of the business climate ahead. For FY2021, these enterprise clients maintained that level of spend resulting in flat sales performance throughout H1 & H2. Personiv's mid-market segment grew 40% in H2 vs H1 primarily driven by new accounts with 14 new logos closed throughout the fiscal year in our Finance & Accounting and Digital Services areas. These new accounts spanned multiple industry segments including Private Equity, Manufacturing, Software, Healthcare, and Financial Services, among others.

Technology absorption and Research and Development Centre

Technology is a focus area for us and it is an integral part of our delivery across clients and service lines. The Company continues to build on its investments in its large Software team including a R&D centre. The Company has developed innovative solutions and products using technologies around Robotics Process Automation (RPA) and Artificial Intelligence & Machine Learning (AIML). The technology team works closely with our clients, onshore team and operations team to identify opportunities for deployment of technology solutions. We have been able to augment value for our clients by including AIML and RPA based technology components in our operations delivery. The Software team has developed new capabilities as part of its cognitive automation framework – called Kaiza Framework. This framework enables us to deliver use cases for our clients in areas like Natural Language Processing, Image Processing, Text Mining, Virtual Assistants and Inferential Analytics. Our team is trained and certified on more than 72 market leading technologies. eClerx is also CMMI Level 3 apprised and our technology team has received recognition from various forums such as NASSCOM, CIO and CSO for our products and use cases implemented for our clients.

Infrastructure

With the acquisition of Personiv, eClerx now operates out of five cities in India – Mumbai, Pune, Chandigarh, Gurugram and Coimbatore. With addition of Gurugram and Coimbatore, eClerx has fortified its presence in North India and established presence in Southern India too. This puts us in a great position to source and integrate talent across geographies within India. At the end of March 2021, the Company's India facilities had a total capacity of around 10,700 seats. With work from home likely to evolve as a sustainable option for delivery even post pandemic, the Company's growth would decouple from seat capacity to a certain extent. The quantum would be determined by client expectations and government policy on delivery through SEZs.

The onshore delivery centre in Fayetteville, North Carolina (United States), with current capacity of 281 seats across production and training, is seeing traction with clients. We added a third client to the delivery centre and the facility is operating 15 hours a day, 7 days a week. The work from home strategy, implemented in fiscal FY2021, is expected to increase billable capacity to meet short term growth, without further addition of seats.

Outside of India and the Unites States, the Company now has delivery centers in Thailand, Italy and Philippines. The Company also has sales offices in United States, Europe and Singapore.

Harnessing Talent

We invested in new employee experience and listening tools, which enabled us to drive deep engagement across the entire employee lifecycle, listen in a more focussed way, and more often, and help us drive a people-first culture. We were one of the first few firms in our industry to announce increments, bonuses and promotions early on in the pandemic, to ensure that our employees were in the positive state of mind and we took the necessary steps to stay committed to caring and retaining our talent.

In the early days of the pandemic, we recognized the needs of our employees and launched a series of weekly webinars delivered by global experts on physical and mental health, adapting to the virtual workplace, empathy learning for managers and even financial wellbeing. In the ensuing months, the Company announced a special Covid-19 insurance scheme, professional counselling service and free virtual consultation with general and specialist doctors. We announced free vaccination for our employees and will focus on getting employees vaccinated at the earliest.

With increased investments in learning this year, we were able to upskill a large number of our global workforce on niche skills such as data visualization, RPA, digital analytics, Artificial Intelligence, Machine learning and Cloud technologies. Our investments in learning technology prior to the pandemic helped us pivot to virtual mode in a short span of time. On talent acquisition front, we invested in tools to augment our hiring capability and quality for niche talent in areas of technology, analytics and domain specialists. In addition, our new virtual programs around Rewards and Recognition and virtual enablement for Managers helped us increase employee satisfaction and retention.

The industry recognised our work in the past year. Our Learning and Development function won three awards at the prestigious global Brandon Hall Excellence Awards for 'Best Use of Blended Learning', 'Best Advance in Creating a Learning Strategy', and for 'Best Results of a Learning Program'. Our Quality team took top honours, winning the gold award at ASQ (American Society for Quality) International

– one of the most coveted awards in the Quality space globally. Till date there have been only three companies headquartered in India that have received this award. Our Digital business was recognized by ISG (Information Services Group) with the 2021 ISG Digital Case Study Awards™ for best-in-class digital transformation work with enterprise customers. Lastly, we were recognized in the third annual list of the 'Best Firms for Data Scientists To Work For' published by Analytics India Magazine (AIM); true to our employee value proposition, we were ranked at #3 in the Top 50 for 'Learning and Support'.

III. OUTLOOK

Financial Markets

After showcasing our resilience during the heart of the Covid-19 pandemic, we have begun the new fiscal year with a strong pipeline of work, reflecting our client's trust in our capabilities. Our ability to adapt to unprecedented circumstances allowed us to swiftly refocus on new opportunities presented through changes brought about by the pandemic. BPM demand continues to increase across our clients as they face challenges running their businesses under significant volume pressures and resource constraints. The pressure felt across many lines of our client's business creates opportunities for us to expand laterally. Onshore opportunities, which saw a drop in FY2021, are expected to return as the developed countries start opening up. Our pipeline of new client opportunities has begun to bear fruit after weathering drawn-out sales processes and will have a meaningful impact in FY2022. The eClerx business model is striking a chord in the current environment as institutions struggle to manage attrition and educate new workers with models that rely heavily on in-person mentoring. This backdrop should continue to present us with significant opportunities for the foreseeable future. As a return to work appears on the horizon, managing that process will be as crucial in keeping our clients' confidence as transitioning to work from home was when the lockdown began.

Digital

Our Digital clients continue to focus on direct to customer channels as customer behaviors have normalized to these sales channels. This channel shift will add more demand for eClerx Digital services resulting in organic client growth. The highly impacted industry sectors in 2020 like travel and traditional retail have started to return to more normal trading and we expect growth to return in those sectors. While new client acquisition was quieter in 2020, we are seeing new clients approaching eClerx Digital to accelerate their digital expansion plans. We expect more productized solutions based on industry blueprint designs to be the primary mode of client acquisition with a strong focus on technology led business process solutions that link into client's enterprise technology stack.

Customer Operations

As we move through 2021-22 fiscal year, we will continue to diversify our opportunities and attract new logos. We will expand on key relationships in our existing portfolio with additional upside potential. We will continue to tighten our value proposition and capitalize on late FY2021 wins in the Field Technical Operations unit to secure growth. In addition, we anticipate that leveraging our robust technology and automation offerings, customer operations performance, and consultative approach to customer experience optimization will help us break into other verticals such as retail, hospitality, financial services, and insurance. Early results from FY2022 indicate this strategy is paying off with wins in new clients.

Personiv

FY2022 focus continues to be on mid-market clients and the Finance & Accounting and the Digital Services offerings. Finance & Accounting Outsourcing (FAO) services of Personiv business are horizontal in nature and they provide new client opportunities across all Industry Segments. Continuing with its multi-channel sales & marketing strategies, we are optimistic that the Personiv business will meet or exceed the number of new client logos signed last year during the coming fiscal year and beyond.

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. The Company has an efficient Risk Management system in place to identify and address various risks that the Company may face. This system has made sure that the Company has an effective framework for identification, measurement, evaluation and mitigation of various risks. This Risk Management system is governed by the Risk Management Policy and monitored by Risk Management Committee. While our focus has been on highlighting likely adverse outcomes, many of these could also provide us opportunities if the outcomes happen to favour us. These risks include, but are not limited to:

Macro-economic risk	The Company derived over 92% of its revenues during FY 2020-21 from US and Western Europe. Challenging business and economic conditions and protectionist policies in these markets and continued policy changes could enhance cost pressure on clients and thus may affect the Company adversely in a number of ways. The Company may witness a reduction in prices, or the loss of key projects and customers, in turn affecting the financial performance.
Concentration risk	The Company derived over 52% of its total revenues during FY 2020-21 from its top five clients. The concentration risk continues to be high. The Company's profitability and revenues would be significantly affected in case of loss of any of these clients or a significant downsizing or insourcing. Further, any mergers or acquisition of or by any of such large clients could cause change in outsourcing strategy thus limiting our business with those clients.
Currency risk	The Company derived around 81% of its revenues in US Dollars, 12% in Euros, and 7% in Sterling and other currencies. Adverse movements in foreign exchange rates on account of global, regional or local events could have a negative impact on our financial performance.
Competition risk	New competitors may enter the markets the Company operates in. Likewise, current competitors could decide to focus more on these markets, and thereby intensify the competition. They could also offer new disruptive technologies or offer a different service model or offer similar services at reduced prices. Such developments could harm the Company's business and results of operations.
Integration risks	The Company's past or future acquisitions may pose challenges including financial, technological and people integration risks, which if not managed adequately, could result in failure to achieve the strategic and financial objectives of the transaction.
Key People risk	Our business is critically dependent on the quality of our workforce. Failure to attract, retain and motivate key employees would impair the Company's ability to offer the right quality of service to clients.
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 or newer supply side models quickly.
Business disruption due to 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.
Business disruption due to pandemic	Business disruption due to pandemic resulting in country wide lockdowns could impact financial performance if our clients do not extend work from home approvals or decide to shift business to their own or competitor facilities that are still functional. There could also be large absenteeism in a pandemic situation due to widespread infections disrupting our operations and affecting client deliverables, prompting clients to shift business to own or competitor facilities, in least affected areas. The acquisition of Personiv has increased eClerx delivery locations both within and outside India, giving us additional options to strengthen business continuity plans to mitigate risk from business disruption events.
Legal and regulatory risk	Failure to comply with legal or regulatory requirements could impact the Company's reputation and financial position. Legislation in certain countries in which we operate may restrict clients in those countries from outsourcing work to overseas entities like us, which could hamper our growth prospects in major markets. Any major export or tax incentive, if withdrawn or materially altered may have an adverse implication on our financials. Insurers are lately excluding coverage of emerging risks thereby exposing Company to bear costs of lawsuits.

Personal data and Privacy risk	There is increased sensitivity on the part of governments and regulators with respect to personal data and privacy. Failure to comply with current and/or new regulations or any cyber-attack could impact company's reputation and financial position.
Breach of data privacy and protection/ Non-compliance to GDPR	Privacy and protection of personal data is an area of increasing concern globally. Legislations like GDPR in Europe carry severe consequences for non-compliance or breach. Any violation or security breach, observed non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputational impact.
Risks from Work from home scenarios	Work from home scenarios could expose the company to additional risks related to security of network, data and endpoint devices and new employee health hazards. Any adverse event on this front could expose the company to reputational and financial risks. There could also be frequent power or internet disruptions at home without adequate redundancy, increasing the risk of missing client deliverables and SLAs, which could impact client business decisions vis-à-vis eClerx.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of Internal Controls which commensurate with the nature of business and size of its operations. The system is designed to adequately ensure that financial and other records are reliable for preparing financial statements and for maintaining accountability of assets. The Company has a strong and independent internal audit function which carries out regular internal audits to test the design, operations, adequacy and effectiveness of its internal control processes and also to suggest improvements and upgrades to the management.

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

VI. CONSOLIDATED FINANCIAL PERFORMANCE

The financial statements of your Company are prepared in compliance with the Companies Act, 2013 and Indian Accounting Standards ('IndAS'). The Group's consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the IndAS 110 on 'Consolidated Financial Statements'.

The following discussion and analysis should be read together with the consolidated IndAS financial statements of the Company for the financial year ended March 31, 2021.

i. RESULTS OF OPERATIONS

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

(Rupees in million)

Particulars	2020-21	%	2019-20	%
Revenue from Operations	15,644.91	97.85%	14,375.71	96.85%
Other Income (net)	344.54	2.15%	467.05	3.15%
Total Revenue	**15,989.45**	**100.00%**	**14,842.76**	**100.00%**
Employee benefits expense	8,853.10	55.37%	8,542.62	57.55%
Cost of technical sub-contractors	531.02	3.32%	554.44	3.74%
Other expenses	1,780.45	11.14%	2,043.46	13.77%
Total Operating Expenses	**1,1164.57**	**69.82%**	**11,140.52**	**75.06%**
EBITDA	**4,824.88**	**30.18%**	**3,702.24**	**24.94%**
Finance Costs	202.77	1.27%	188.10	1.27%
Depreciation and goodwill amortisation	815.93	5.10%	708.95	4.78%
Profit before Tax	**3,806.18**	**23.80%**	**2,805.19**	**18.90%**
Taxes	977.97	6.12%	715.47	4.82%
Minority Interest	2.60	0.02%	-0.11	0.00%
Net Profit attributable to shareholders	**2,825.61**	**17.69%**	**2,089.83**	**14.08%**

a. Income

Income from operations

Income from operations increased to Rs. 15,644.91 million in the year under review from Rs. 14,375.71 million in the previous year registering a growth of 8.83%.

Other income

Other income primarily comprises of foreign exchange gains/loss, interest on bank deposits and dividend from debt oriented mutual funds. The total other income decreased to Rs. 344.54 million in the year under review from Rs. 467.05 million in the previous year.

There was a Foreign exchange loss of Rs. 88.70 million due to revaluation and realisation of foreign currency denominated assets and liabilities in the year under review compared to gain of Rs. 109.22 million in the previous year. The loss has been accounted in other expenditure.

Income from investments decreased marginally to Rs. 326.10 million in the year under review from Rs. 344.78 million in the previous year.

b. Expenditure

Operating expenses comprises of employee costs, software product development expenses, cost of technical subcontractors and other general and administrative expenses. The total operating expenses increased to Rs. 11,164.57 million in the year under review from Rs. 11,140.52 million in the previous year.

Employee costs increased to Rs. 8,853.10 million in the year under review from Rs. 8,542.62 million in the previous year, primarily due to annual increment in salaries and higher sales linked incentives.

Other expenses decreased to Rs. 1,780.45 million in the year under review from Rs. 2,043.46 million in the previous year. The decrease was primarily due to:

- Decrease in travel expenses by Rs. 353.41 million due to reduced travel because of the global pandemic Covid-19.
- Reduction in housekeeping, security costs and office related expenses by Rs 68.59 million , employee conveyance costs by Rs 32.6 million and business promotion costs by Rs 21.33 million in due to offices being partially shut due to the global pandemic Covid-19.
- The savings were been partially offset by foreign exchange loss on account of revaluation and realisation of foreign currency denominated assets and liabilities amounting to Rs. 88.70 million and fair valuation loss of Rs 70.23 million on investments.
- Legal professional fees increase by Rs 52.35 million primarily on account of due diligence and legal fees incurred for acquisition of Personiv Group during the year.

c. Depreciation

Depreciation charge has increased to Rs. 815.93 million in the year under review from Rs. 708.95 million. The depreciation on right-of-use asset increased to Rs. 331.33 million from Rs.305.33 million and on tangible and intangible assets increased to Rs. 484.60 million from Rs. 403.62 million in previous year primarily due to higher capital investment in work from home computer equipment.

d. Finance cost

Finance cost primarily on ROU assets has increased marginally to Rs. 202.74 million in the year from Rs. 188.10 million in the previous year.

e. Income Tax Expense

The Company's consolidated tax expense (including deferred taxes) increased to Rs. 977.97 million in the year under review from Rs. 715.47 million in the previous year due to higher profit before taxes.

ii. FINANCIAL CONDITION

a. Share Capital

The Company has authorised capital of Rs. 500.10 million as on March 31, 2021. The issued, subscribed and paid up capital was Rs. 340.06 million of equity shares of Rs. 10 each in the year under review as compared to Rs. 361.00 million in the previous year. The change in paid up capital was primarily due to buyback of shares.

b. Other Equity

The reserves and surplus of the Company increased to Rs. 14,668.13 million in the year under review from Rs. 12,701.14 million in the previous year. Increase in other equity is primarily on account of:

- Addition of retained earnings & other

comprehensive income by Rs. 2,805.70 million in the year under review.

- Increase of Rs. 453.16 million in hedging reserve on account of positive movement in cash-flow hedges.

- Increase in foreign currency translation reserve on overseas subsidiaries by Rs 48.06 million.

- Reduction in retained earnings on account of buy back of shares by Rs. 1,312.73 million and payment of dividend Rs. 34.01 million.

c. Right of Use Lease liabilities

Long term ROU lease Liabilities were Rs. 1,437.50 million as on March 31, 2021 (March 31, 2020 : Rs. 1,316.50 million) and short term ROU lease Liabilities were Rs 304.65 million (March 31, 2020 : Rs 240.84 million).

d. Derivative instruments

Company covers foreign exchange fluctuation risk through hedging instruments as per board approved policy. Derivative instrument fair valuation is accounted through Other Comprehensive Income. As at March 31, 2021 derivative instrument fair valuation asset was Rs. 264.56 million compared to fair valuation liability of Rs. 341.01 million as at March 31, 2020. The increase is due to favourable marked to market movement against the hedged currency rates.

e. Borrowings

Borrowings by subsidiaries have decreased to Rs. 4.93 million in the year under review from Rs. 8.68 million in previous year, due to repayment part of working capital loan by subsidiary in Italy.

f. Employee Benefit Obligations

Employee Benefit Obligations which includes gratuity, leave encashment, sales incentives, performance bonus, retention bonus and other employee benefits, increased to Rs. 1,603.33 million in the year under review from Rs. 1,322.35 million in previous year primarily due to increase in higher sales incentives and additional employee retention bonus plans.

g. Trade Payables

Increase in trade payables to Rs 229.32 million in the year under review from Rs 138.64 million in the previous year primarily due to increase in creditors of overseas subsidiaries.

h. Other financial and current liabilities

Other financial and current liabilities includes unpaid dividend, advance billing, accrued expenses and payables for capital expenditure and statutory dues, which have increased to Rs. 1,041.04 million in the year under review from Rs. 597.33 million in the previous year primarily due to contingent consideration payable on acquisition of Personiv Group.

i. Fixed Assets

The net block of fixed assets and capital work in progress and other as at March 31, 2021 was Rs. 2,231.45 million as compared to Rs. 1,251.86 Million as at March 31, 2020. During year under review, addition to gross block (net off disposals) was Rs. 1,408.34 million comprising of computer hardware and software and addition to leasehold improvements, which includes additions on account of acquisition of Personiv Group of Rs. 1,080.22 million.

Goodwill on consolidation on account of foreign subsidiaries was at Rs 3,726.25 million as at March 31, 2020 as compared to Rs 2,272.10 million as at March 31, 2019. The increase is on account of acquisition of Personiv Group.

j. Right of Use Assets

ROU Assets as on March 31, 2021 is Rs. 1,327.47 million as compared to Rs. 1,281.47 million as on March 31, 2020.

k. Investment

Investment represent Non-Current investment of Rs. 2.40 million as at March 31, 2021 which is same as last year.

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

The Company's treasury practices call for investing only in highly rated debt oriented mutual funds. Investment in mutual funds decreased to Rs. 2,283.80 million during the year under review from Rs. 4,365.52 million in the previous year due to redemptions made during the period for the purpose of acquisitions and share buyback.

l. Trade Receivables

Debtors increased to Rs. 2,930.22 million as at March 31, 2021 from Rs. 2,377.84 million as at March 31, 2020. These debts are considered good and realisable and provision for doubtful debts has been made based on expected credit loss model based on various factors, including collectability of specific dues, economic condition of the industry in which the customer operates and general economic factors that could affect the customer's ability to settle. The Company monitors trade receivables closely.

m. Cash and Other Bank Balances

Cash and other bank balances mainly represent bank balances in current and fixed deposit accounts due to increase in short term deposits placed with the banks. The cash and other bank balances increased to Rs. 4,908.62 million as on March 31, 2021 from Rs. 3,344.99 million as at March 31, 2020 due to increased investments in bank fixed deposits and amounts parked in escrow for acquisition earnout payments.

n. Other financial assets

Other financial assets includes unbilled revenue, premises & other deposits, recoverable expenses and other loans & advances. Other financial assets marginally decreased as at March 31, 2021 to Rs. 989.26 million from Rs. 1,249.33 million as at March 31, 2020.

o. Other current and non-current assets

Other current and non-current assets include capital advances and GST credits, duty benefit credits, prepaid expenses and other advances. Other current & non-current asset decreased marginally as at March 31, 2021 to Rs. 714.54 million from Rs. 723.34 million as at March 31, 2020.

p. Deferred Tax assets /liabilities

Deferred tax assets and liabilities represent timing differences in the financial and tax books arising from depreciation of property, plant and equipment, compensated absences, & gratuity and derivative financial instruments. The Company assesses the likelihood that the deferred tax will be adjusted from future taxable income before carrying it as an asset or liability. The Company has a net deferred tax asset of Rs. 163.84 million as at March 31, 2021 as compared to Rs. 254.90 million as at March 31, 2020. The decrease is primarily on account of additional deferred tax liabilities created on gains in derivative financial instrument assets.

q. Income Tax assets/liabilities

The Company's profits are subject to tax in the various jurisdictions where the Group conducts business operations. The non- current tax assets primarily represent payments of tax demands which have been contested and under appeals and refunds receivable. Current tax labilities primarily comprise of tax provisions made in end of the year for which payment is not yet due.

Income tax labilities (net) increased to Rs 133.76 million in the current year from Rs 93.18 million in the previous year.

iii. CASH FLOWS

The Company's cash flows from operating, investing and financing activities, as reflected in the consolidated statement of cash flow, is summarised in the table below.

Summary of cash flow statement:

(Rupees in Million)

Particulars	2020-21	2019-20
Net cash generated by/(used in)		
Operating activities	3,645.69	3,327.96
Investing activities	(45.25)	182.92
Financing activities	(1,883.07)	(3,082.35)
Effect of Exchange fluctuation on Cash and Cash Equivalents	27.22	60.84
Net (decrease)/increase in cash and cash equivalents	**1,744.59**	**489.37**
Cash and cash equivalents at the beginning of the year	1,745.61	1,256.24
Cash and cash equivalents at the end of the year	3,490.20	1,745.61

Cash flow from operations improved due to due to reduction in net working capital in current year compared to previous year.

The Company had done net investment of surplus money during the previous year in bank fixed deposit and debt mutual funds as compared to current year where there was net redemption of investments to fund the buyback of the Company's shares and acquisitions.

Decrease in Cash used in financing in current year was primarily towards buyback of Company's shares as compared to previous year.

iv. KEY FINANCIAL RATIOS (BASED ON CONSOLIDATED FINANCIALS)

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

(Rupees in Million)

Ratios	2020-21	2019-20	Change
Market capitalisation to revenues (INR)	2.46	0.94	161.70%
Price/Earnings (times)	13.51	6.38	111.78%
Days sales outstanding	72	88	(15.58%)
Liquid cash as a % of total assets	35.82%	44.42%	(8.60%)
Current Ratio (times)	4.21	5.10	(17.47%)
Revenue growth (INR)	8.83%	0.49%	8.34%
Operating Profit Margin	22.13%	16.26%	5.86%
Net Profit Margin	17.69%	14.08%	3.61%
Return on net worth	18.83%	15.99%	2.84%
Diluted EPS (INR)	81.61	57.26	41.99%

Market capitalisation to revenues, price to earnings ratios moved positively due to increase in market price of the equity shares due to improved profitability which resulted in higher EPS and general market conditions. Same reasons can also be attributable to positive changes in the Diluted EPS.

Movements in the other ratios are not greater than 25% and have remained relatively stable and movement are largely on the positive side.

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

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

The organization recognizes the importance of mental well-being for an individual. Therefore, we initiated an employee assistance program for employees and their family members, which offers individual Counselling sessions, Diet consultations, and self-assessments on health and wellness through face-to-face or telephonic and online mode. We witnessed a good level of participation.

We also introduced 24x7 Doctor on-call services with specialized consultations for various diseases. These specialized consultations are accessible to employees and their family members.

During these Covid times, we introduced an emergency helpline which could cater to ambulance service, information on availability of hospital beds, oxygen and home Delivery of Medicines. We not only facilitated our employees to get Covid related diagnostic test, but also executed corporate vaccination drives within the office premises for them and their dependents.

To promote employee welfare, we organized multiple sessions, which will help employees to diagnose and manage lifestyle-related problems proactively. These initiatives received an overwhelming response from employees across locations. The organization continuously motivates employees to be consistently healthy by sharing online information with employees.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable Securities Laws and Regulations. Actual results could defer materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government Regulations, Tax Laws and other factors such as litigation and labour relations.

Readers are advised to exercise their own judgment in assessing risks associated with the Company, *inter-alia*, in view of discussion on risk factors herein and disclosures in Regulatory filings, as applicable.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a set of processes, customs and policies affecting the way an organisation is directed, administered or controlled. Good corporate governance leads to long-term stakeholder value and enhances interests of all stakeholders which is integral to existence of any organisation. We at eClerx, manage Company's affairs in a manner consistent with the highest principles of business ethics and corporate governance requirements. We are unequivocally committed to creating value for all our stakeholders by upholding the principles of Accountability, Fairness, Responsibility, and Transparency which forms the base of our philosophy.

Our core ***EPIC*** values viz. ***E****xcellence*, ***P****eople*, ***I****ntegrity* and ***C****lient* have helped us enhance and maintain stakeholders' trust and appreciation in the working of the Company.

eClerx is compliant with all the mandatory provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable. The details on how the corporate governance principles are put in to practice within the Company are as follows:

I. BOARD AND COMMITTEES STRUCTURE

The Board has adhered to the highest standards of Corporate Governance in directing the Company's affairs and discharging its statutory duties and responsibilities. It discharges some of its responsibilities directly and has delegated specific responsibilities to the mandatory Board Committees formed as per the applicable provisions of the Companies Act, 2013 and rules framed thereunder ("the Act") and the Listing Regulations: Audit Committee; Nomination and Remuneration Committee; Stakeholders' Relationship Committee; Corporate Social Responsibility Committee and Risk Management Committee. These Committees provide focus to different areas of Board's responsibilities delegated to them, which is detailed as per the information given under:

- **Composition and attendance details**

  The Board represents an optimum combination of Executive and Non-Executive Directors for its independent functioning. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and Section 149 of the Act which comprises of 9 (Nine) Directors, of which 1 (One) is Executive Director, 1 (One) is Non-Executive Director and 7 (Seven) are Non-Executive Independent Directors including 1 (One) Independent Woman Director. The Chairman of the Board is a Non-Executive Independent Director. There are no inter-se relationships between the Directors on the Board of the Company.

The table below shows the composition and attendance at the scheduled Board and Committee meetings:

Name	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Pradeep Kapoor *Non-Executive Independent Director - Chairman*	©7/7	6/6	-	©4/4	-	-
Alok Goyal *Non-Executive Independent Director*	6/7	-	5/5	-	-	-
Anish Ghoshal *Non-Executive Independent Director*	7/7	6/6	©5/5	4/4	4/4	©2/2
Anjan Malik *Non-Executive Director – Promoter*	7/7	-	5/5	-	-	-
Biren Gabhawala *Non-Executive Independent Director*	7/7	©6/6	5/5	4/4	4/4	2/2
Deepa Kapoor *Non-Executive Independent Director*	7/7	6/6	-	-	©4/4	2/2
PD Mundhra *Executive Director – Promoter*	7/7	6/6	-	4/4	4/4	2/2
Shailesh Kekre *Non-Executive Independent Director*	7/7	-	-	-	-	2/2
Srinjay Sengupta* *Additional - Non-Executive Independent Director*	1/1	-	-	-	-	-
Rohitash Gupta *Chief Financial Officer*	-	-	-	-	-	2/2

© Chairman/Chairperson of Board/Committees
* Appointed w.e.f. January 28, 2021.

More information on meeting-wise attendance details of the Board meetings and the Committee meetings can be found on Page Nos. 76 to 84.

Apart from these mandatory Committees, the Board has also constituted an Investment Committee with a view to enable approval for investment(s) upto Rs. 20 million (Rupees Twenty Million Only) under Company's employee initiatives towards talent and entrepreneurship encouragement. The promoter Directors viz. PD Mundhra, Executive Director and Anjan Malik, Non-Executive Director are members of this Committee and the Chairperson is elected at the meetings itself. No meeting of Investment Committee was held during FY2021.

The Buy-Back Committee was also constituted by the Board on July 6, 2020 for implementation of Buy Back of 2,093,815 (Two Million Ninety Three Thousand Eight Hundred and Fifteen) fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten) each from Open market through Stock exchange mechanism. The same was dissolved on August 12, 2020 by the Board of Directors post completion of the Buy Back. The Committee passed two circular resolutions on July 7, 2020 and July 22, 2020 for approval of Public Announcement for Buy Back and closure of Buy Back respectively.

- **Board and Committee Meetings Procedure**

  The Board meets atleast once a quarter to review quarterly results and consider other items on the Agenda. In addition to the quarterly meetings, the Board also convenes its meetings as and when necessary. The Committees of the Board usually meet before the Board meeting, or whenever the need arises for transacting business. In case of any exigencies, resolutions are also passed by circulation as permitted by law, which are noted at subsequent Board meetings. The Company Secretary drafts the agenda for each meeting, along with the explanatory notes, in consultation with the Chief Financial Officer, Executive Director and other stakeholders, and circulates these in advance to the Directors minimum a week before the meeting. Due to the Covid-19 pandemic, the Company used video conferencing facility for conducting Board and Committee meetings in FY2021, in pursuance of Circulars issued by Ministry of Corporate Affairs in this regard.

The tentative period for which the Board meetings for the next financial year would be held are decided in advance and is published in the Annual Report which can be found on Page no. 87.

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

The Company has an effective post Board/ Committee meeting follow up procedure. Update on the key open points is placed at the succeeding meeting(s) for information of the Board/respective Committees. 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.

- **Board Independence**

  The Independent Directors on the Board provide a solid foundation for good corporate governance and a strong independent element to the Board. The Board has taken on record the declarations received from Independent Directors confirming that they meet the criteria of independence prescribed under the Act and Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence and after undertaking due assessment of the veracity of the same and taking into consideration the annual declaration of independence submitted by Independent Directors, the Board confirms that, in its opinion, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

  The Code of Conduct for Independent Directors ("ID Code") has been adopted by the Company in compliance with Section 149 read with Schedule IV of the Act. In terms of the ID Code, a separate meeting of Independent Directors was held on June 9, 2020, wherein they evaluated the performance of Non-Executive Directors, the Board as a whole and the Chairman taking into account the views of Executive and Non-Executive Directors. All Independent Directors were present at this meeting through video conferencing.

  All the Independent Directors of the Company have registered themselves/renewed their registration, as applicable, on Indian Institute of Corporate Affairs (IICA) portal and their names are included in the data bank maintained by IICA pursuant to Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019. Further, the Independent Directors of the Company, have also confirmed that they will pass the online proficiency self-assessment test conducted by IICA, as required, within the prescribed due date, as may be applicable to them.

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

- **Meeting-wise Board attendance and other Directorships**

  The table on page no. 76 shows the meeting-wise attendance at the scheduled Board meetings and the outside Directorships, Committee Memberships/Chairmanships of the Directors as on March 31, 2021 as informed by them. None of the Director is a Member of more than 10 (Ten) Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Committees across all public limited companies (listed or unlisted) in which he/she is a Director.

Name	Attendance at the last AGM held through Video Conference on Sept 29, 2020	Board Meetings held and attended during the year through Video Conferencing							% of Attendance at Board Meetings through Video Conference	Number of Directorships on the Board of Other Public Companies	Other Company Committee Positions	
		Jun 09, 2020	Jul 06, 2020	Aug 12, 2020	Nov 05, 2020	Dec 11, 2020	Jan 28, 2021	Mar 18, 2021			Member	Chairman
PD Mundhra									100	-	-	-
Anjan Malik									100	-	-	-
Pradeep Kapoor									100	-	-	-
Anish Ghoshal									100	1	-	-
Biren Gabhawala									100	1$	1	1
Alok Goyal									86	-	-	-
Deepa Kapoor									100	-	-	-
Shailesh Kekre									100	-	-	-
Srinjay Sengupta*	-	-	-	-	-	-	-		100	-	-	-

* Appointed as an 'Additional – Non-Executive Independent Director' on the Board w.e.f. January 28, 2021, subject to approval of shareholders at the ensuing Annual General Meeting.

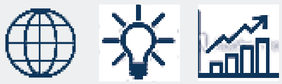
$ Mr. Biren Gabhawala is also a Non – Executive Independent Director in 3M India Limited, which is a listed entity. The above mentioned disclosure includes Memberships/Chairmanship in only Audit Committee and Stakeholders' Relationship Committee in Indian public companies (listed and unlisted) other than the Company.

The Board skills and attributes matrix

The Board has identified the following core skills viz. Industry Expertise and Business Acumen, Corporate Governance, Quality Decision making, Ability to contribute to Company's growth and Sustainable Development which are required in the context of the business of the Company to function effectively as detailed in the table below.

	Core skills	Description
	Industry Expertise and Business Acumen	• Knowledge of the IT-BPM sector, understanding of the business operations of the Company, strategic planning, audit, risk management
	Corporate Governance	• Knowledge of Corporate Governance, Accountancy, understanding of Legal & Regulatory environment, Stakeholder advocacy.
	Quality Decision making	• Being attentive to risks, solving problems by analysing options, identifying opportunities, being focused and creative in ideas, Leadership
	Ability to contribute to Company's growth	• Sales and Marketing, Technology and Digital, Global experience, Knowledge of budgeting, M&A, Mentoring, Networking etc.
	Sustainable Development	• CSR/ESG initiatives, Diversity, Empathy.

The skill matrix displaying Director's proficiency in core skills is given hereunder. The table also reflects the number of years that Independent Directors have left to serve, which helps to analyse which skills need to be replaced sooner than others.

Directors	Years left to serve (as applicable)	Core Skills
Pradeep Kapoor *Non-Executive Independent Director - Chairman*	3	
Alok Goyal *Non-Executive Independent Director*	3	
Anish Ghoshal *Non-Executive Independent Director*	3	
Anjan Malik *Non-Executive Director – Promoter*	—	
Biren Gabhawala *Non-Executive Independent Director*	3	
Deepa Kapoor *Non-Executive Independent Director*	3	
PD Mundhra *Executive Director – Promoter*	—	
Shailesh Kekre* *Non-Executive Independent Director*	1	
Srinjay Sengupta *Additional - Non-Executive Independent Director*	5	

* Eligible and proposed to be re-appointed for a second term of 5 consecutive years in terms of the provisions of Section 149 of the Act, at the ensuing Annual General Meeting.

- **Code of Conduct**
  Pursuant to Regulation 17 of the Listing Regulations, the Board 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 including the Chief Financial Officer and Company Secretary have affirmed compliance with the Code of Conduct for FY2021. A declaration to this effect signed by the Executive Director is given in this report. The aforesaid code has also been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

- **Code under SEBI Insider Trading Regulations**
  The Company has in place Code of Conduct for Prohibition of Insider Trading and Code for Fair Disclosure ('PIT Code') pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for regulating, monitoring and reporting of trading by insiders which was amended on August 12, 2020 and March 18, 2021 in order to align with the SEBI notification/circular dated July 17, 2020 and February 09, 2021 respectively with respect to contents of Structure Digital Database (SDD) and revised disclosure formats. The same is hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

- **Committees of the Board**

A. AUDIT COMMITTEE

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

Terms of reference

i. 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;

ii. Recommending to the Board, the appointment, remuneration and terms of appointment of the auditors of the Company;

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

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

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

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

vii. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

viii. Approval or any subsequent modification of transactions with related parties;

ix. Scrutiny of inter-corporate loans and investments;

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

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

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

xiii. 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.;

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

xv. 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;

xvi. 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;

xvii. 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;

xviii. To review the functioning of the whistle blower mechanism.

xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

xx. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

xxi. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

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

The Audit Committee reviews the following information:

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

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

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

d. Internal audit reports relating to internal control weaknesses;

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

f. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations;

g. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

Meeting-wise Audit Committee attendance

Name	Meetings held and attended during the year through Video Conferencing							% of attendance
	Jun 09, 2020	Jul 06, 2020	Aug 12, 2020	Nov 05, 2020	Dec 11, 2020	Jan 28, 2021	Mar 18, 2021	
Anish Ghoshal								100
Biren Gabhawala								100
Deepa Kapoor								100
PD Mundhra								100
Pradeep Kapoor								100

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

The gap between two consecutive meetings did not exceed 120 days. The statutory auditors as well as Internal Auditors participate in the Audit Committee meetings. In addition to the above, the Committee meetings were also attended by the Chief Financial Officer of the Company along with other senior managerial personnel of the Corporate Finance department of the Company, as may be required.

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

The Chairman of the Audit Committee attended 20th Annual General Meeting of the Company held on September 29, 2020.

B. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is responsible for identifying persons to be appointed as Directors and at senior management levels as well as formulating remuneration policy for them. It also reviews the size and composition of the Board to ensure that there is an appropriate balance of skills, knowledge, experience and diversity in its widest sense.

Terms of reference

i. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

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

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

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

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

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

vii. Devise a policy on Board diversity;

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

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

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

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

Meeting-wise Nomination and Remuneration Committee attendance

Name	Meetings held and attended during the year through Video Conferencing					% of attendance
	Jun 9, 2020	Aug 12, 2020	Nov 5, 2020	Jan 28, 2021	Mar 18, 2021	
Alok Goyal						100
Anish Ghoshal						100
Anjan Malik						100
Biren Gabhawala*						100
Ms. Deepa Kapoor@	-	-	-	-	-	-
Mr. Shailesh Kekre@	-	-	-	-	-	-
Mr. Srinjay Sengupta@	-	-	-	-	-	-

* Ceased to be a Member w.e.f March 18, 2021.

@ Appointed as Members of the Committee w.e.f March 18, 2021.

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

Nomination and Remuneration Policy

In terms of Section 178 of the Act and the Listing Regulations, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company had been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy which acts as a guideline for determining, *inter-alia*, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees has been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

Details of Remuneration paid/payable to Directors for FY2021 are as follows:

(Rupees in Million)

Name	No. of shares held	Salary & Perquisites	Remuneration#	Sitting Fees	Total
Alok Goyal	0	-	1.90	0.36	2.26
Anjan Malik	93,65,204	-	-	-	-
Anish Ghoshal	2	-	1.90	0.42	2.32
Biren Gabhawala	5,980	-	1.90	0.42	2.32
Deepa Kapoor	0	-	1.90	0.42	2.32
PD Mundhra	9,369,043	24.84	-	-	24.84
Pradeep Kapoor	7,008	-	1.90	0.42	2.32
Shailesh Kekre	0	-	1.90	0.42	2.32
Srinjay Sengupta*	0	-	0.32	0.06	0.38

\# Remuneration to Independent Directors for FY2021 was paid in June 2021.

* Appointed w.e.f. January 28, 2021.

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

- **Sitting Fees**

  The Non-Executive Independent Directors of the Company are being paid sitting fees which is within the ceiling prescribed under the Act and no sitting fee is paid to Non-Executive Non-Independent Director. Further, the boarding and lodging expenses, if any, are reimbursed to the Directors based out of Mumbai.

- **Remuneration to Non-Executive Independent Directors**

  The Remuneration is paid within the monetary limit approved by the Members of the Company i.e. Rs. 2.25 million p.a. per Non-Executive Independent Director, subject to the same not exceeding 1% of the net profits of the Company computed as per the provisions of the Act and such other applicable regulations. The details of the actual remuneration paid to the Non-Executive Independent Directors for FY2021 is given above.

- **Criteria of making payments to Non-Executive Independent Directors**

  Members of the Company vide Special Resolution passed at Annual General Meeting held on August 29, 2019 approved the payment of remuneration to Non-Executive Independent Directors of the Company. The said remuneration is subject to an aggregate limit of sum not exceeding 1% of net profit of the Company for respective financial year, as calculated in accordance with the provisions of the Act provided that such amount shall not exceed Rs. 2.25 million p.a. per Non-Executive Independent Director in addition to the fee payable to them for attending the meeting of Board of Directors of the Company or any Committee(s) thereof. The Nomination and Remuneration Committee at its Meeting held on June 9, 2020 considered and accordingly recommended the payment of remuneration of Rs. 2.00 million p.a. to each of Non-Executive Independent Directors of the Company for FY2021. However, considering the COVID-19 pandemic situation, the Independent Directors of the Company had decided not to take any raise in the amount of commission and accordingly, the commission for FY2021 was fixed at Rs. 1.90 million p.a. per director which was as same as FY2020. The remuneration was paid in proportion to the term served by the Director in respective financial year.

- **Remuneration to Whole-Time Director**

  The Executive Director is entitled to salary of Rs. 13.80 million p.a. In addition to that, he is also entitled to Annual Performance Bonus, not exceeding Rs. 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 18, 2021, recommended 80% of the eligible bonus amount as Annual Bonus for FY2021, to be paid to Mr. PD Mundhra, Executive Director amounting to Rs. 11.04 million and the Board of Directors approved the same at the meeting held on June 10, 2021. Mr. PD Mundhra offered to forgo his annual remuneration increment for FY2022 conveying that he believed that the current remuneration reflected fair value for his contribution to the organization. The Board of Directors at its meeting held on June 10, 2021, accepted his proposal. Mr. PD Mundhra has not taken any increment in the monthly salary per-se, since FY2012.

The other details with respect to remuneration of Mr. PD Mundhra are as under:

Particulars	Description
All elements of remuneration package i.e. salary, benefits, pensions etc.	Annual Gross Salary: Within the range between Rs. 13.80 million to Rs. 27.60 million 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.
Performance linked incentives along with performance criteria	Annual Gross Salary: Rs. 13.80 million p.a. Annual Performance Bonus: upto Rs. 13.80 million p.a. The actual entitlement out of Annual Performance Bonus will be decided by the Board of Directors and will be merit based and take into account the Company's performance while factoring key parameters like: - Profitability (PAT, PBT, OPM) - Return on shareholders' investment - Statutory compliances - Revenue and revenue quality.
Service contracts, notice period, severance fees	The tenure will be subject to termination by 3 (Three) months' prior notice in writing on either side, and all other terms are as per the Company policy.
Stock option details, if any	NIL

Details of options held by Non-Executive Independent Directors as on March 31, 2021:

The Company had granted options to its Independent Directors in the past. However, effective from FY2014, the Company stopped granting ESOPs to Independent Directors of the Company in view of the provisions of the Act and Listing Regulations. As on March 31, 2021, there are no outstanding options held by Non-Executive Independent Directors of the Company.

Performance evaluation criteria for Independent Directors

The details of performance evaluation criteria for Independent Directors can be found in the Directors' Report at Page No. 34

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee looks into matters relating to investors' grievances and the overall services rendered by Registrar and Transfer Agent to the shareholders. The constitution, duties and responsibilities of the Stakeholders' Relationship Committee are in line with the provisions of the Act and Listing Regulations.

Terms of reference

i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

v. To provide information to shareholder.

Meeting-wise Stakeholders' Relationship Committee attendance

Name	Meetings held and attended during the year through Video Conferencing				% of attendance
	Jun 9, 2020	Aug 12, 2020	Nov 5, 2020	Jan 28, 2021	
Anish Ghoshal					100
Biren Gabhawala					100
PD Mundhra					100
Pradeep Kapoor					100

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

Name, designation and address of Compliance Officer:

Pratik Bhanushali
Company Secretary and Compliance Officer
Sonawala Building, 1st Floor, 29 Bank Street,
Fort, Mumbai – 400 023, Maharashtra, India.
Ph. Nos.: +91 (22) 6614 8422; Fax No.: +91 (22) 66148655
Email: investor@eClerx.com

Investor Complaints:

Status	No. of complaints
As on April 1, 2020	Nil
Received during the year	29
Resolved during the year	29
As on March 31, 2021	Nil

No complaints were pending as on March 31, 2021.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014, the Board has constituted Corporate Social Responsibility Committee ('CSR Committee') which recommends the amount of CSR to be spent on the projects as well as monitors the implementation of the same.

Terms of reference

i. To suggest and/or formulate CSR Policy of the Company;

ii. To recommend the amount of expenditure to be incurred on the CSR activities;

iii. To ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company;

iv. To ensure that Company spend atleast 2% of average net profit of the Company in every financial year;

v. To monitor the CSR Policy of the Company from time to time;

vi. To prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company;

vii. To formulate and recommend to the Board, an annual action plan for CSR spending;

viii. 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.

Meeting-wise Corporate Social Responsibility Committee attendance

Name	Meetings held and attended during the year through Video Conferencing				% of attendance
	Jun 9, 2020	Aug 12, 2020	Nov 5, 2020	Jan 28, 2021	
Anish Ghoshal					100
Biren Gabhawala					100
Deepa Kapoor					100
PD Mundhra					100

A detailed CSR report containing information about the CSR activities undertaken during the year forms part of the Directors' Report.

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

E. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee pursuant to Regulation 21(1) of the Listing Regulations, which assists the Board in fulfilling its responsibilities with regard to identification, evaluation and mitigation of risks. It also reviews the risk management policy and the enterprise-wide risk management frameworks of the Company.

Terms of reference*

i. To formulate a detailed risk management policy and monitor and oversee the implementation of the policy and the EWRM framework, including evaluating the adequacy of risk management systems. The policy shall include:
- A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risks as may be determined by the Committee;
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business Continuity plan

ii. To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company;

iii. To periodically review the risk management policy, atleast once in two years, including by considering the changing industry dynamics and evolving complexity;

iv. To keep the Board of Directors informed about the nature and content of its discussion, recommendations and actions to be taken;

v. The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;

vi. Periodic assessment and prioritizing of risks that affect the operations of the Company;

vii. Identify and review the Company's risk appetite for various elements of risk including cyber security;

viii. Review the risk management practices and recommend changes to ensure its adequacy;

ix. Monitor the implementation of the risk mitigation plans including mitigation of cyber security risk;

x. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsider with relevant expertise, if it considers necessary;

xi. Such other functions as the Board may determine from time to time.

* *Terms of reference amended as per latest SEBI circulars and approved at Board Meeting held on August 13, 2021.*

The details about risk management policy and EWRM framework is available in the Directors' Report at Page No. 38.

Meeting-wise Risk Management Committee attendance

Name	Meeting held and attended during the year through Video Conference		% of attendance
	June 9, 2020	November 5, 2020	
Anish Ghoshal			100
Biren Gabhawala			100
Deepa Kapoor*			100
PD Mundhra			100
Rohitash Gupta			100
Shailesh Kekre*			100
Srinjay Sengupta@	-	-	-

* Ceased to be Members w.e.f. March 18, 2021.
@ Appointed as Member w.e.f March 18, 2021.
The Company Secretary of the Company acts as Secretary to the Committee.

II. GENERAL BODY MEETINGS

- **Annual General Meeting**

The last 3 (Three) Annual General Meetings (AGMs) were held as under:

<table>
<tr><th>Year</th><th>Date</th><th>Time</th><th>Venue</th><th>Details of Special Resolutions</th></tr>
<tr><td>2019-20</td><td>September 29, 2020</td><td>12.30 p.m.</td><td>Held through Video Conferencing</td><td>Continuation of directorship of Mr. Pradeep Kapoor (DIN: 00053199) as Non-Executive Independent Director of the Company.</td></tr>
<tr><td>2018-19</td><td>August 29, 2019</td><td>10.15 a.m.</td><td rowspan="2">Walchand Hirachand Hall, Indian Merchants Chamber, LNM IMC Building, Churchgate, Mumbai 400 020.</td><td>• Approval of payment of remuneration by way of commission to Non-Executive Independent Directors of the Company.
• Re-appointment of Mr. PD Mundhra (DIN: 00281165) as Whole-Time Director for a period of 5 (Five) Years, effective from April 1, 2020</td></tr>
<tr><td>2017-18</td><td>August 29, 2018</td><td>10.15 a.m.</td><td>—</td></tr>
</table>

- **Postal Ballot**

During the year, no resolutions were passed through Postal Ballot. However, it is proposed to pass a special resolution for approval of Buy-Back of fully paid up equity shares of face value of Rs. 10/- each at a price not exceeding Rs.3,200/- (Rupees Three Thousand and Two Hundred only) per equity share (Maximum Buy Back price) payable in cash for a total consideration not exceeding Rs. 3,030 Millions (Rupees Three Thousand and Thirty Millions Only) excluding transaction cost incurred or to be incurred for the Buy-Back viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, filing fees, advisor fees, public announcement expenses, printing and dispatch expenses, if any, and other incidental and related expenses etc., which is within 25% of the aggregate of the Company's Paid-up Equity Share Capital and Free Reserves as per the latest audited standalone and consolidated financial statements of the Company as on March 31, 2021 from all the equity shareholders/beneficial owners of the Equity Shares of the Company as on the record date, to be announced by the Board/Buy-Back Committee, on proportionate basis through the 'tender offer' route, as prescribed under the SEBI Buy-Back Regulations.

Procedure for Postal Ballot

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The

Company engages the services of "KFin Technologies Private Limited" for the purpose of providing e-voting facility to all its members. The members are given the option to vote either by physical ballot or remote e-voting.

The Company dispatches electronically the Postal Ballot notices and forms to the e-mail Ids which are registered in the records of the Depository Participants/the Company's Registrar and Transfer Agent. 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 are requested to return the forms duly completed and signed, to the scrutinizer or to cast their vote electronically on or before the close of voting period.

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

III. POLICY GOVERNING TRANSACTIONS WITH RELATED PARTIES AND MATERIAL SUBSIDIARIES

The Company has adopted a policy for related party transactions and material subsidiaries and the same has been hosted on the Company's website at the web-link https://eclerx.com/investor-relations/corporate-governance/.

All the transactions with the related parties that were entered into during the year, were in the ordinary course of business and at arm's length basis. The requisite prior approval of the Audit Committee was taken before entering into such transactions and there were no 'materially significant transactions' requiring shareholders' approval.

In terms of the Listing Regulations, the material unlisted subsidiaries of the Company are eClerx LLC (USA), eClerx Investments (UK) Limited, eClerx Europe S.P.A (Italy) and ASEC Group LLC (USA). However, the requirement of appointing an Independent Director of the Company on the board of material unlisted subsidiary only applies to material subsidiaries whose income or net worth exceeds 20% (Twenty) percent of the consolidated income or net worth of the listed entity. Out of all the material subsidiaries, this requirement is applicable only for eClerx LLC (USA) and accordingly, Ms. Deepa Kapoor, Non-Executive Independent Director of the Company has been appointed on its Board in compliance with the said provision.

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

The details of the complaints filed, disposed off and pending during the financial year under POSH Act, related to sexual harassment has been disclosed in the Business Responsibility Report forming part of this Annual Report.

V. DISCLOSURES

a. In respect of related party transactions, the Company does not have any transactions which may have a potential conflict with the interest of the Company at large. The details of transactions with related parties have been given in the notes to Financial Statements forming part of the Annual Report.

b. No penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority in any matters related to the capital markets during the last 3 (Three) years.

c. Pursuant to the Listing Regulations and the Act, the Company has in place an adequate and functional vigil mechanism i.e. Whistle Blower Policy for Directors, employees and others to report genuine concerns. Further, no one has been denied access to the Audit Committee. The Policy is available on the website of the Company at the web-link https://eclerx.com/investor-relations/corporate-governance/.

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

e. During the financial year, requisite information as mentioned in Part A of Schedule II of Listing Regulations was placed before the Board for its consideration.

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

g. M/s. Mahajan and Aibara, Chartered Accountants (Firm Membership No. 105742W), Internal Auditors of the Company, make periodic presentations to the

Audit Committee on their reports.

h. 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.

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

j. The Company does not have any commodity price risk. Please refer Note No. 34 to Standalone Financial Statements for foreign exchange risk and hedging activities.

k. The Company has not raised any funds through preferential allotment or qualified institutions placement.

l. The Company has obtained a certificate from M/s. Savita Jyoti Associates, Practising Company Secretary (FCS No. 3738), dated May 18, 2021 confirming that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority, which is annexed and forms part of the Report on Corporate Governance.

m. In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

n. During the year, total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to M/s. S.R. Batliboi & Associates LLP, Mumbai (ICAI FRN: 101049W/E300004), the Statutory Auditors of the Company, including all entities in the network firms/network entities of which the Statutory Auditor is a part, as included in the Consolidated Financial Statements of the Group is as follows:

(Rupees in million)

Fees for audit and related services	14.09
Other fees for non-audit related services	2.46
Total fees	**16.56**

VI. MEANS OF COMMUNICATION

The Company publishes its quarterly, half yearly and annual results in the prescribed form, within the prescribed time. The results are submitted to the Stock Exchanges where the securities of the Company are listed and the same are published in Business Standard and Sakal/Navshakti. These financial results are also displayed on the Company's website www.eclerx.com. The investor presentations after declaration of quarterly, half yearly and annual results are also submitted to the Stock Exchanges and displayed on the Company's website. The Company's website also displays the official news releases. The Investor Relations page of the Company's website provides more than 25 Frequently Asked Questions on various topics related to Company business operation and locations, past Dividend/Bonus/Buyback history, transfers and transmissions of shares, dematerialisation etc.

Investor Services Web-based Query Redressal System

Members may utilise the facility extended by the Registrar and Transfer Agent for redressal of queries, by visiting https://karisma.kfintech.com and clicking on 'INVESTORS GRIEVANCE' option for query registration through free identity registration process. Investors can submit their query in the option provided on the above website, which would generate a registration number. For accessing the status/response to the query submitted, the grievance registration number can be used at the option 'Track Complaints' on right hand corner under 'INVESTORS GRIEVANCE' option after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

Investors can provide their feedback on the services provided by the Company and its Registrar and Transfer Agent by filling the Shareholder Satisfaction Survey, which is available on last page of this Annual Report.

KPRISM- Mobile service application by the Registrar and Transfer Agent (RTA)

Members are requested to note that KFin Technologies Private Limited has launched a mobile application - 'KPRISM' and a website https://kprism.kfintech.com for online service to shareholders. Members can download the mobile application, register themselves (one time) for availing host of services viz., view of consolidated portfolio serviced by RTA, Dividend status, requests for change of address, change/update Bank Mandate. Through the Mobile app, members can download Annual Reports, standard forms and keep track of upcoming General Meetings and dividend disbursements. The mobile application can be available for download from Android Play Store.

VII. MANAGEMENT DISCUSSION AND ANALYSIS

The detailed Management Discussion and Analysis Report for the FY2021, as per the requirements of the

VIII. 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, September 29, 2021	
Time of AGM	12.30 p.m.	
Venue of AGM	The Company is conducting meeting through Video Conferencing pursuant to the MCA Circular dated January 13, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.	
Financial Year	April to March	
Financial Calendar (2021-22) (Tentative)	**Declaration of Results for the Quarter Ending on**	**Tentative Board Meeting Schedule**
	June 30, 2021	First fortnight of August 2021
	September 30, 2021	First fortnight of November 2021
	December 31, 2021	Last fortnight of January 2022
	March 31, 2022	Last fortnight of May 2022
	22nd Annual General Meeting	First fortnight of September 2022
Date of book closure	Friday, September 17, 2021 to Wednesday, September 29, 2021 (both days inclusive)	
Dividend payment date	On or after Thursday, September 30, 2021 but within the statutory time limit of 30 days, subject to shareholders' approval.	
Shares held in physical form	Members holding shares in the physical form are requested to promptly notify/ send the following details to the Registrar and Transfer Agent of the Company, to facilitate better servicing: • Email addresses or any change thereof. • Any change in their address/mandate/bank details. • Particulars of the bank account in which they wish their dividend to be credited, in case have not been furnished earlier. • Members are informed that respective bank details and address as furnished by them or by NSDL/CDSL to the Company, for shares held in the physical form and in the dematerialized form respectively, will be printed on their dividend instruments as a measure of protection against fraudulent encashment. • The request for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, shareholders are requested to take note of the same and get such equity shares dematerialized at the earliest.	
Shares held in electronic form	Members holding shares in electronic form may please note that: • Instructions regarding bank details which they wish to incorporate in future dividend warrants/Demand Drafts must be submitted to their Depository Participants (DP). As per the regulations of NSDL and CDSL, the Company is obliged to print bank details on the dividend warrants/Demand Drafts, as furnished by these depositories to the Company. • For receiving Company correspondences in electronic form, the Members should register their email addresses with their respective DPs. • Instructions already given by them for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. • Instructions regarding change of address, nomination and power of attorney should be given directly to the DPs.	

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-400 051.
Listing fees	The Company has paid the Annual Listing fees to the BSE and NSE for FY2022.
ISIN number	INE738I01010
BSE code	532927
NSE symbol	ECLERX
Registered office	Sonawala Building, 1st Floor, 29 Bank Street, Fort, Mumbai – 400 023.
Corporate office & Delivery Facilities in India	4th Floor, Express Towers, Nariman Point Mumbai – 400 021. Building No. 11, 4th, 5th & 6th Floor, Building No. 14, 4th & 5th Floor, K Raheja Mindspace, Plot No. 3, TTC Industrial Area, Thane Belapur Road, Airoli, Navi Mumbai-400 708. Block 1, LG, 1st, 2nd, 3rd Floor, Wing A & 4th floor, Wing A & B, Quadron Business Park, Embassy Quadron Rajiv Gandhi Infotech Park Hinjewadi Phase 2, Pune-411 057. 1st & 2nd Floor, Towers A & B, DLF Info City Developer, Rajiv Gandhi Chandigarh Technology Park, Kishangarh, Chandigarh–160 101.
Registrar and Transfer agent	KFin Technologies Pvt. Ltd. Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana. Toll free No. – 1 800 309 4001 Email: balaji.reddy@kfintech.com/einward.ris@kfintech.com
Share transfer system	About 99.99% of the equity shares of the Company are in dematerialized form. Transfer of these shares is effected through Depositories without involvement of the Company. As regards transfer of shares in physical form, the same has been disallowed by SEBI with effect from April 1, 2019. The physical shares will have to be converted into demat form compulsory for transfer. Only the request for transmission and transposition of shares in physical form will be accepted by the Company/Registrar and Transfer Agent.
Dematerialisation of shares	All requests for dematerialisation of shares are processed and confirmed to the depositories, viz, NSDL and CDSL, by our Registrar and Transfer Agent 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 Shares of your Company is permitted only in dematerialised form. Non-Promoters' holding is about 46.19%.
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 34,889,564 Equity shares of the Company constituting over 99.99% of the Company's equity shares were in dematerialised mode as on March 31, 2021. A total of 22 Equity Shares are in physical mode as on March 31, 2021.
Outstanding GDRs/ADRs/ warrants or any convertible instruments, conversion and likely impact on equity	The Company has not issued any of these instruments.

Unclaimed Dividend	Pursuant to the Section 124, 125 and other applicable provisions of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") , all money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of transfer to such Unpaid Dividend Account, shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government.
Transfer of Equity shares to IEPF	The equity shares in respect of which dividend has not been paid or claimed for 7 (Seven) consecutive years or more from the date of declaration will also be transferred to an account viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules.

Details of Unclaimed Dividend

Year	Nature of Dividend	Dividend Per Share (in Rupees)	Date of Declaration	Due Date for Transfer	Amount in Rupees as on March 31, 2021
2013-14	Final Dividend	35.00	July 10, 2014	August 10, 2021	2,99,600.00
2014-15	Final Dividend	35.00	July 17, 2015	August 17, 2022	1,95,300.00
2015-16	Final Dividend	1.00	July 13, 2016	August 13, 2023	15,135.00
2016-17	Final Dividend	1.00	August 22, 2017	September 22, 2024	15,749.00
2017-18	Final Dividend	1.00	August 29, 2018	September 28, 2025	15,624.00
2018-19	Final Dividend	1.00	August 29, 2019	September 26, 2026	15,659.00
2019-20	Final Dividend	1.00	September 29, 2020	October 30, 2027	26,873.00*

*Amount unclaimed as on July 31, 2021

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

Transfer of Unclaimed Dividend to Investor Education and Protection Fund during FY2021

Year	Nature of Dividend	Dividend Per Share (in Rupees)	Amount (In Rupees)	Date of transfer to IEPF
2012-13	Final Dividend	25.00	1,86,500.00	October 15, 2020

Amounts transferred to Investor Education and Protection Fund till date

Particulars	Amount (Rupees)
Final Dividend 2012-13	1,86,500.00
Final Dividend 2011-12	167,353.00
Final Dividend 2010-11	260,122.00
Final Dividend 2009-10	175,590.00
Interim Dividend 2009-10	203,470.00
Final Dividend 2008-09	149,678.00
Interim Dividend 2008-09	87,484.00
Final Dividend 2007-08	73,386.00
Unclaimed IPO Refund	239,400.00

Details of Unclaimed shares as provided by Registrar and Transfer Agent viz. KFin Technologies 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, 2020	10	393
2	Number of shareholders who approached the Company to claim aforesaid unclaimed shares and to whom the shares were transferred	-	-
3	Number of shares transferred to IEPF	-	-
4	Aggregate Number of shareholders and the outstanding shares lying unclaimed as on March 31, 2021	10	393

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Transfer of Shares to IEPF

In terms of Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2017, shares of Members who have not claimed the dividends for the continuous 7 (Seven) years considering the due date of September 22, 2020 have been transferred to IEPF Authority. The details of transferred shares is available on https://eclerx.com/investor-relations/stock-infomations-corporate-actions/unclaimed-shares/.

Claiming of unclaimed dividends before transfer to IEPF

Shareholders are advised to make their claim for the unclaimed dividends in respect of the shares held by them, by writing to our Registrar and Share Transfer Agents, KFin Technologies Private Limited, Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.

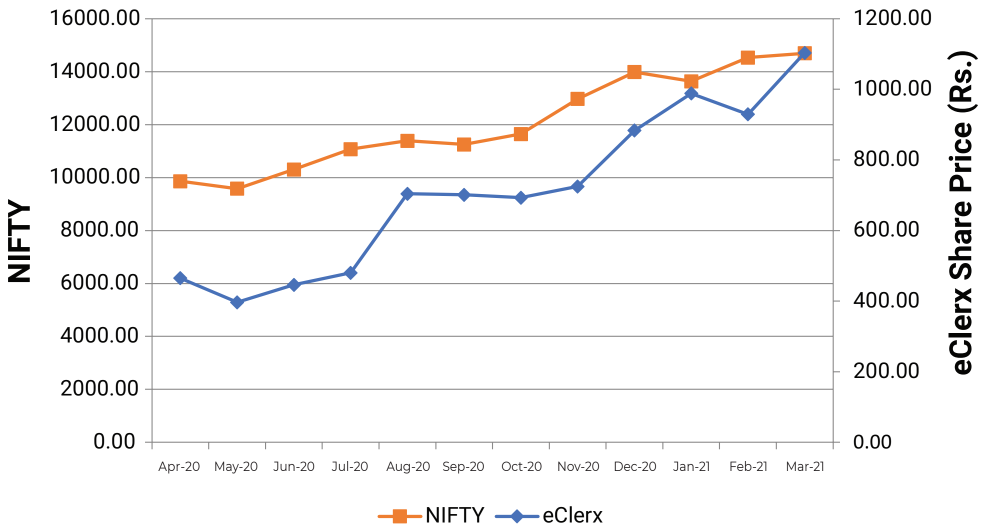
Claiming of Shares/Dividends after transfer to IEPF

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

Market Price Data

Month	BSE		NSE	
	High	Low	High	Low
Apr-20	510.65	357.00	512.00	358.15
May-20	499.80	380.05	498.90	383.55
Jun-20	486.65	391.50	488.00	390.00
Jul-20	536.65	440.65	534.90	440.15
Aug-20	814.65	460.55	812.00	460.55
Sep-20	799.50	660.00	793.20	670.00
Oct-20	751.00	669.25	751.70	670.05
Nov-20	759.20	669.05	767.00	669.00
Dec-20	927.00	709.30	928.00	715.00
Jan-21	1,033.00	864.55	1,034.40	865.05
Feb-21	1,043.05	905.00	1,044.00	915.00
Mar-21	1,129.00	927.75	1,130.00	925.00

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



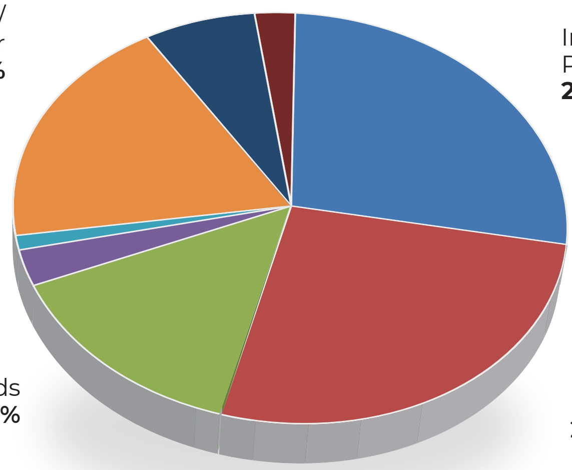
Distribution of Shareholding as at March 31, 2021

Category	Number of shareholders	% of total shareholders	No. of shares held	% of total shareholding
1 - 5000	33,588	99.52	23,00,670	6.59
5001 - 10000	64	0.19	4,60,456	1.32
10001 - 20000	32	0.09	4,58,965	1.32
20001 - 30000	12	0.04	2,94,931	0.85
30001 - 40000	10	0.03	3,64,478	1.04
40001 - 50000	3	0.01	1,33,529	0.38
50001 - 100000	17	0.05	12,01,364	3.44
100001 and above	25	0.07	2,96,75,193	85.05
Total	**33,751**	**100.00**	**3,48,89,586**	**100.00**

Shareholding pattern as on March 31, 2021

Category of Shareholder	As on March 31, 2021	
	Total No. of Shares	% Shareholding
Shareholding of Promoter and Promoter Group		
(1) Individuals/ Hindu Undivided Family	94,07,152	26.96
Sub-Total (A)(1)	**94,07,152**	**26.96**
(2) Individuals (Non-Resident Individuals/ Foreign Individuals)	93,65,204	26.84
Sub-Total (A)(2)	**93,65,204**	**26.84**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**1,87,72,356**	**53.81**
(B) Public Shareholding		
(1) Institutions		
-Mutual Funds/ UTI	48,89,190	14.01
-Financial Institutions/Banks	5	0.00
-Alternate Investment Funds	3,90,159	1.12
-Foreign Institutional Investors	65,79,462	18.86
Sub-Total (B)(1)	**1,18,58,816**	**33.99**
(2) Non-institutions		
- Bodies Corporate	2,25,077	0.65

- Individual shareholders holding nominal share capital up to Rs. 2 lakh.	21,57,446	6.18
- Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	2,34,490	0.67
Any Other		
- Non Resident Indians	2,00,867	0.58
- Foreign Nationals	58,421	0.17
- Clearing Members	1,24,433	0.36
- Trusts	195	0.00
- IEPF	934	0.00
- NBFCs registered with RBI	500	0.00
- HUF	1,51,573	0.43
- Qualified Institutional Buyer	2,20,873	0.63
Sub-Total (B)(2)	**33,74,809**	**9.67**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**1,52,33,625**	**43.66**
TOTAL (A)+(B)	**3,40,05,981**	**97.47**
(C) Shares held by Custodians and against which Depository Receipts have been issued - Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations 2014]	**8,83,605**	**2.53**
GRAND TOTAL (A)+(B)+(C)	**3,48,89,586**	**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.

Compliance certificate of the auditors

Certificate from the Statutory Auditors of the Company, M/s. S.R. Batliboi & Associates LLP, Mumbai (ICAI FRN: 101049W/E300004) as stipulated under Part E of Schedule V of Listing Regulations confirming compliance with the conditions of Corporate Governance, is annexed and forms part of the Report on Corporate Governance.

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 and Transfer Agent

KFin Technologies Pvt. Ltd.
Selenium Tower B, Plot 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032, Telangana.
Toll free No.: 1- 800-309-4001
Email IDs: balaji.reddy@kfintech.com/einward.ris@kfintech.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, 2021.

For eClerx Services Limited

PD Mundhra
Executive Director

Date: June 10, 2021

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, 2021 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Mumbai	**PD Mundhra**	**Rohitash Gupta**
June 10, 2021	Executive Director	Chief Financial Officer

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of last appointment in Company
1.	PRIYADARSHAN MUNDHRA	00281165	24/03/2000
2.	ANISH GHOSHAL	00276807	11/08/2007
3.	PRADEEP DHARUPRAKASH KAPOOR	00053199	11/08/2007
4.	ANJAN MALIK	01698542	10/05/2000
5.	BIREN CHANDRAKANT GABHAWALA	03091772	18/05/2011
6.	ALOK GOYAL	05255419	18/05/2012
7.	DEEPA KAPOOR	06828033	11/03/2014
8.	SHAILESH SHARAD KEKRE	07679583	15/03/2017
9.	SRINJAY SENGUPTA	02692531	28/01/2021

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

For Savita Jyoti Associates
Company Secretaries

CS Savita Jyoti
FCS No. : 3738, CP No. : 1796
UDIN: F003738C000341834

Date: May 18, 2021
Place: Hyderabad

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

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

1. The Corporate Governance Report (the "Report") prepared by eClerx Services Limited (the "Company"), contains details as specified in Regulations 17 to 27, Clauses (b) to (i) of sub – Regulation (2) of Regulation 46 and para C, D, and E of Schedule V of the 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, 2021. The Report is required by the Company for annual submission to the stock exchange.

Management's Responsibility

2. The preparation of the 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 provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.

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 ICAI.

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

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

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

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

    iii. Obtained and read the Register of Directors as on March 31, 2021 and verified that at least one woman director was on the Board of Directors throughout the year;

    iv. Obtained and read the minutes of the following committee meetings/other meetings held from April 1, 2020 to March 31, 2021:

        (a) Board of Directors;

        (b) Audit Committee;

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

        (d) Nomination and Remuneration Committee;

        (e) Corporate Social Responsibility Committee;

        (f) Risk Management Committee;

        (g) Stakeholders Relationship Committee

    v. Obtained necessary declarations from directors of the Company.

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

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

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

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

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 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 Vineet Kedia
Partner
Membership Number: 212230
UDIN: 21212230AAACW6230

Place of Signature: Mumbai
Date: August 13, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of eClerx Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of eClerx Services Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Company enters into long term and short-term customer contracts. Revenue from these contracts is recognized in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers (as described in note 2.2(c) and note 20 of the Standalone Ind AS financial statements). Revenue from sale of services for the year ended March 31, 2021 amounted to Rs 11,974.01 million and unbilled receivables as at March 31, 2021 amounted to Rs 805.66 million. Considering amount and volume of transactions, there is a risk that unbilled revenue at period end date, did not occur or is not as per terms agreed with customers.	**How our audit addressed the key audit matter** • Our audit procedures included assessing the Company's revenue recognition accounting policies in accordance with Ind AS 115, Revenue from Contracts with Customers. • We obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Company's accounting policies. We tested relevant internal controls, including IT controls, over revenue process. • We tested a sample of new revenue contracts entered by the Company, to assess whether revenue has been recognized as per contractual terms and as per Company's accounting policies. • We selected a sample of revenue transactions with unbilled revenue at the year-end and traced these to underlying terms agreed with customers, proof of service delivery and internal control approvals. Also, we checked ageing of unbilled receivables and tested, on a sample basis, invoices raised subsequent to year end.

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31(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 **Vineet Kedia**
Partner
Membership Number: 212230
UDIN: 21212230AAAABU4464

Place of Signature: Mumbai
Date: June 10, 2021

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

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

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions relating to duty of excise, sales tax, service tax and value added tax are not applicable to the Company for the year ended March 31, 2021.

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

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

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax demand	^1,576,730	Assessment Year 2010-11	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	^7,264,170	Assessment Year 2011-12	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	^21,909,129	Assessment Year 2012-13	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^16,328,990	Assessment Year 2013-14	Commissioner of Income Tax (Appeal)
The Income Tax Act, 1961	Income Tax demand	^37,507,910	Assessment Year 2014-15	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax demand	^31,824,234	Assessment Year 2015-16	Commissioner of Income tax (Appeal)

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax demand	^32,758,448	Assessment Year 2017-18	Deputy Commissioner of Income Tax
The Income Tax Act, 1961	Income Tax demand	^56,159,400	Assessment Year 2018-19	Deputy Commissioner of Income Tax
Service Tax	Service Tax* Penalty on service tax	^^6,189,634 ^^5,834,013	April 2007 - March 2012	Custom, Central Excise and Service Tax Appellate Tribunal ("CESTAT")
Service Tax	Service Tax* Penalty on service tax	^^118,913,942 ^^118,913,942	June 2009 -March 2013	CESTAT
Service Tax	Service Tax* Penalty on service tax	^^3,182,802 ^^3,182,802	April 2013- March 2017	Commissioner of Central Excise (Appeals)

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

^ The Company has paid Rs. 28,175,557 under protest and adjusted refund of Rs. 34,869,186.

^^ The Company has paid Rs. 9,623,958 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 and audit procedures performed by us, 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 **Vineet Kedia**
Partner
Membership Number: 212230
UDIN: 21212230AAAABU4464

Place of Signature: Mumbai
Date: June 10, 2021

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, 2021 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 Ind AS 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 Ind AS 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, 2021, 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.

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

per **Vineet Kedia**
Partner
Membership Number: 212230
UDIN: 21212230AAAABU4464

Place of Signature: Mumbai
Date: June 10, 2021

BALANCE SHEET

(Rupees in Million)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	530.00	542.89
Right of use assets	31.a	915.17	1,018.66
Capital work-in-progress	3	-	2.65
Intangible assets	4	37.87	28.57
Financial assets	5		
Investments	5.1	4,844.79	2,373.22
Derivative instruments	5.2	25.53	-
Long term loans	8	711.60	711.60
Other financial assets	9	164.35	116.36
Deferred tax assets (net)	19	240.26	362.83
Other non-current assets	10	35.39	191.88
Non-current tax assets (net)		104.66	103.41
		7,609.62	**5,452.07**
Current assets			
Financial assets			
Investments	5.1	2,282.30	4,363.78
Trade receivables	6	1,943.06	1,714.14
Cash and cash equivalents	7.a.	1,382.35	621.87
Other bank balances	7.b.	1,111.10	1,584.25
Other financial assets	9	879.46	1,011.52
Derivative instruments	5.2	239.03	-
Other current assets	11	515.39	412.46
		8,352.69	**9,708.02**
Total assets		**15,962.31**	**15,160.09**
Equity and liabilities			
Equity			
Equity share capital	12	348.90	369.83
Other equity	13	12,187.91	10,743.24
Total equity		**12,536.81**	**11,113.07**

Non-current liabilities			
Financial liabilities			
Lease liabilities	31.a	1,024.37	1,123.52
Derivative instruments	5.2	-	96.63
Employee benefit obligations	15	387.25	306.07
		1,411.62	**1,526.22**
Current liabilities			
Financial liabilities			
Lease liabilities	31.a	184.08	146.43
Derivative instruments	5.2	-	244.37
Trade payables	16		
Total outstanding dues of Micro enterprises and small enterprises		5.08	3.16
Total outstanding dues of creditors other than Micro enterprises and small enterprises		587.36	1,090.08
Other financial liabilities	17	494.04	335.10
Other current liabilities	18	58.27	57.32
Employee benefit obligations	15	595.04	621.24
Current tax liabilities (net)		90.01	23.10
		2,013.88	**2,520.80**
Total equity and liabilities		**15,962.31**	**15,160.09**
Summary of significant accounting policies	2		

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

As per our report of even date

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

per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF PROFIT AND LOSS

(Rupees in Million)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	20	11,974.01	11,201.67
Other income	21	393.84	540.01
Total Income		**12,367.85**	**11,741.68**
Expenses			
Employee benefits expense	22	4,796.21	4,844.92
Cost of technical sub-contractors		303.38	199.54
Depreciation and amortisation expense	23	500.04	445.93
Finance cost	31.a.	183.62	176.62
Other expense	24	3,339.91	3,753.09
Total expense		**9,123.16**	**9,420.10**
Profit before exceptional items and tax		**3,244.69**	**2,321.58**
Exceptional item gain / (loss)	27	-	(488.40)
Profit before tax		**3,244.69**	**1,833.18**
Tax expenses			
Current tax	19		
Pertaining to current year		868.99	582.08
Adjustments in respect of current income tax of previous year		8.45	2.55
Deferred tax	19	(21.79)	12.84
Income tax expense		**855.65**	**597.47**
Profit for the year		**2,389.04**	**1,235.71**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement (losses) / gains on defined benefit plans	27	(32.01)	(17.48)
Income tax effect	19	8.06	4.11
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**(23.95)**	**(13.37)**

Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	27	605.57	(548.35)
Income tax effect	19	(152.41)	143.43
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		**453.16**	**(404.92)**
Other comprehensive income for the year, net of tax		**429.21**	**(418.29)**
Total comprehensive income for the year, net of tax		**2,818.25**	**817.42**
Earnings per equity share (in Rs.)			
Basic (Face value of Rs.10 each)	28	67.29	33.05
Diluted (Face value of Rs.10 each)	28	67.03	33.05
Summary of significant accounting policies	2		

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

As per our report of even date

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

per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF CASH FLOWS

(Rupees in Million)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating activities			
Profit before tax		3,244.69	1,833.18
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	23	500.04	445.93
Share-based payment expense	22	9.29	8.50
Net foreign exchange differences		14.16	(45.50)
Loss on sale of assets	24	3.56	12.93
Interest income on corporate rent deposits	21	(15.35)	(11.45)
Amortised cost on corporate rent deposits		16.74	11.84
Profit on sale of current investments	21	(224.51)	(13.32)
Dividend income	21	-	(65.02)
Interest income, net	21 & 24	(82.25)	(152.04)
Bad debts written off	24	1.73	11.70
Provision for doubtful debts	24	0.84	(4.20)
Finance cost	31.a.	183.62	176.62
Fair value (gain) / loss on financial instruments at fair value through profit or loss	24	70.23	(121.20)
Provision for doubtful recovery of loan to / investment in ESOP Trust	8	-	488.40
Other adjustments		(37.73)	(17.48)
		3,685.06	**2,558.89**
Working capital adjustments:			
Increase in employee benefit obligations		54.99	141.47
(Increase) / Decrease in trade receivables		(270.53)	213.95
Decrease / (Increase) in other current and non current financial assets		84.15	(25.21)
Decrease in other current and non current assets		52.07	213.28
(Decrease) / Increase in trade payables, other current and non current liabilities and provisions		(310.15)	391.46
Cash generated by operating activities		**3,295.59**	**3,493.84**
Income tax paid (Net of refunds)		(811.79)	(586.83)
Net cash flows from operating activities		**2,483.80**	**2,907.01**
Investing activities			
Proceeds from sale of current investments		11,425.53	10,536.44
Purchase of current investments		(9,189.78)	(11,960.70)
Investment in subsidiary during the year		(2,493.02)	-

Investment in bank deposits (having original maturity of more than three months)		(2,645.79)	(1,781.87)
Redemption/maturity of bank deposits (having original maturity of more than three months)		3,075.46	3,390.46
Payment of unclaimed dividend and fractional share		(0.16)	(0.16)
Proceeds from sale of property, plant and equipment		0.96	7.64
Purchase of property, plant, equipment and intangibles (including capital work in progress)		(294.28)	(227.84)
Dividend received		-	65.02
Interest received		126.60	322.04
Net cash flows generated from / (used in) investing activities		**5.52**	**351.03**
Financing activities			
Proceeds from issue of equity share capital		-	6.32
Buyback of equity shares		(1,095.00)	(2,620.00)
Buyback expenses		(9.47)	(24.52)
Tax on buyback of equity shares		(243.00)	-
Payment of dividend		(34.89)	(36.98)
Dividend distribution tax		-	(7.60)
Finance cost- Lease		(183.62)	(176.62)
Principal payment- Lease		(162.86)	(163.10)
Net cash flows (used in) / generated from financing activities		**(1,728.84)**	**(3,022.50)**
Net increase / (decrease) in cash and cash equivalents		**760.48**	**235.54**
Cash and cash equivalents at the beginning of the year	7(a)	621.87	386.33
Cash and cash equivalents at the year end	**7(a)**	**1,382.35**	**621.87**
Summary of significant accounting policies	2		

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

As per our report of even date

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

per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

(Rupees in million)

	No. of shares	Share capital
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at March 31, 2019	**38,711,095**	**387.11**
Add: Shares allotted during the year on account of exercise of share options by employees (ESOP)	18,972	0.19
Less : Shares bought back during the year	(1,746,666)	(17.47)
As at March 31, 2020	**36,983,401**	**369.83**
Less : Shares bought back during the year (refer note 12)	(2,093,815)	(20.94)
As at March 31, 2021	**34,889,586**	**348.90**

b. Other equity
For the year ended March 31, 2021

(Rupees in million)

Particulars	Share Application money pending allotment	Reserves and Surplus						Items of OCI	
		Capital redemption reserve	Securities premium account	Share based payment reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Cashflow Hedging reserve	Total other equity
As at March 31, 2020	**-**	**42.45**	**13.83**	**185.16**	**0.00**	**0.10**	**10,756.90**	**(255.20)**	**10,743.24**
Profit for the period	-	-	-	-	-	-	2,389.04	-	2,389.04
Other comprehensive income (refer note 27)	-	-	-	-	-	-	(23.95)	453.16	429.21
Share based payment charge / (credit) net off stock options forfeited during the year (refer note 13)	-	-	-	(12.15)	-	-	-	-	(12.15)
Transfer on account of stock options not exercised (refer note 13)	-	-	-	(27.58)	-	-	27.58	-	-
Dividends (refer note 14)	-	-	-	-	-	-	(34.89)	-	(34.89)
Buyback expenses (refer note 13)	-	-	-	-	-	-	(9.47)	-	(9.47)
Tax on buyback of shares (refer note 13)							(243.00)		(243.00)
Amount transferred on account of buyback of shares (refer note 13)	-	20.94	-	-	-	-	(20.94)	-	-
Amount utilised on account of buy back of shares (refer note 13)	-	-	(13.83)	-	-	-	(1,060.24)	-	(1,074.07)
As at March 31, 2021	**-**	**63.39**	**(0.00)**	**145.43**	**0.00**	**0.10**	**11,781.03**	**197.96**	**12,187.91**

For the year ended March 31, 2020

(Rupees in million)

Particulars	Share Application money pending allotment	Reserves and Surplus						Items of OCI	
		Capital redemption reserve	Securities premium account	Share based payment reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Cashflow Hedging reserve	Total other equity
As at March 31, 2019	**4.41**	**24.98**	**181.00**	**207.17**	**0.71**	**0.10**	**12,096.83**	**149.72**	**12,664.92**
Impact on account of adoption of IND AS 116 (Refer note 2.2(h))	-	-	-	-	-	-	(48.34)	-	(48.34)
Impact on account of Appendix C to Ind AS 12 (Refer note 2.2(d))	-	-	-	-	-	-	(16.46)	-	(16.46)
	4.41	24.98	181.00	207.17	0.71	0.10	12,032.03	149.72	12,600.12
Profit for the period	-	-	-	-	-	-	1,235.71	-	1,235.71
Other comprehensive income (refer note 27)	-	-	-	-	-	-	(13.37)	(404.92)	(418.29)
Share based payment charge/ (credit) net off stock options cancelled / forfeited during the year (refer note 13)	-	-	-	(8.79)	-	-	-	-	(8.79)
Transfer on account of stock options not exercised (refer note 13)				(9.92)			9.92		-
Transfer to securities premium on account of exercise of stock options (refer note 13)	-	-	3.30	(3.30)	-	-	-	-	-
Dividends (Including dividend distribution tax) (refer note 14)	-	-	-	-	-	-	(44.58)	-	(44.58)
Buyback expenses (refer note 13)	-	-	-	-	-	-	(24.51)	-	(24.51)
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 13)	-	-	10.52	-	-	-	-	-	10.52
Amount transferred on account of buyback of shares (refer note 13)	-	17.47		-	-		(17.47)	-	-

For the year ended March 31, 2020

(Rupees in million)

		Reserves and Surplus						Items of OCI	
Particulars	**Share Application money pending allotment**	**Capital redemption reserve**	**Securities premium account**	**Share based payment reserve**	**SEZ Re-investment Reserve Account**	**Capital reserve**	**Retained earnings**	**Cashflow Hedging reserve**	**Total other equity**
Amount utilised on account of buy back of shares (refer note 13)	-	-	(180.99)	-		-	(2,421.54)	-	(2,602.53)
Amount transferred from SEZ Re-investment Reserve account (refer note 13)	-	-	-	-	(0.71)	-	0.71	-	-
Shares application money received during the year	6.32	-	-	-	-	-	-	-	6.32
Shares alloted during the year	(10.73)	-	-	-	-	-	-	-	(10.73)
As at March 31, 2020	**-**	**42.45**	**13.83**	**185.16**	**0.00**	**0.10**	**10,756.90**	**(255.20)**	**10,743.24**

As per our report of even date

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

per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

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

The standalone financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the board of directors on June 10, 2021.

2.A. Significant accounting policies

2.1 Basis of preparation

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

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

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

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2. Summary of significant accounting policies

a. Foreign currencies

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

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

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

b. 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.

c. Revenue recognition

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

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

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

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

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

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

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

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

Interest Income

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

Dividends

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

Government Grants

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

d. Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income (""OCI"") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also, refer to Notes 31.c and 39.

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.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments

The Appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

i) Whether an entity considers uncertain tax treatments separately

ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities

iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

iv) How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from April 1, 2019. The Company has evaluated the effect of the Appendix C to Ind AS 12 on the financial statements and an amount of Rs.16.46 million was debited to retained earnings on April 01 2019. There is no significant impact of the Appendix on the statement of profit and loss for the years ended March 31, 2021 and March 31, 2020.

e. 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 method. The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

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

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

f. Intangible assets

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

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

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

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

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

g. Research and development expenses for software product

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

h. Leases

The Company as lessee

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 recognises right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low value assets. For short term lease and low-value asset arrangements, the Company recognises the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognised at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognised in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Transition

The Company had adopted Ind AS 116 ‘Leases’ with effect from 1 April 2019 using the modified retrospective method. Cumulative effect of initially applying the standard had been recognised on the date of initial application and hence the Company had not restated comparative information. The Company had recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of initial application.

The Company had selected practical expedient for the following:

a) Not recognising right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognises the lease payments associated with such leases as an expense over the lease term.

b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.

c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

Accordingly, the Company had recognised right-of-use asset of Rs.884.30 million and a lease liability of Rs.1,091.65 million in the financial statements on the date of initial application. The cumulative effect of applying the standard, amounting to Rs.48.34 million was debited to opening retained earnings, net of taxes. Due to adoption of Ind AS 116, the nature of expenses changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. The effect of this standard is not significant on the profit for the year of the Company. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities.

i. Impairment of non-financial assets

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

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

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

j. Provisions and contingencies

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

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

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

k. Retirement and other employee benefits

Provident Fund

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

Defined benefit plan

Gratuity

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

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

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

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

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

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

Compensated Absences

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

The Code on Social Security, 2020 relating to employee benefits during the employment and post- employment benefits received President's assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess and record the impact of the Code, if any, when it becomes effective.

l. Share - based payments

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

m. Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

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

FVTPL is a residual category for financial assets. Any instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

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

n. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

Cash flow hedges

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

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

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

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

o. Cash and cash equivalents

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

p. Cash dividend to equity holders of the Company

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

q. Earnings per share

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

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. Leases

The Company has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination option and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

c. 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 30.

d. 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.

he 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 29.

e. 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 35 & 36 for further disclosures.

f. 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 three to 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.

g. Impairment of financial assets

For recognition of impairment loss on other financial assets (other than trade receivables or contract revenue receivables) 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 calculating impairment on investment in eClerx Employee Welfare Trust ("ESOP Trust") and significant increase in credit risk on loan to the ESOP Trust, the Company has applied significant judgements. Most critical judgments / estimate used by the Company in making determination relates to cashflows that the Company expects to receive after considering exercise price of share options / market price of shares held by the ESOP Trust and timing of those cash flows. Refer note 8.

2.C. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenue, investment in subsidiaries, intangible assets, other financial assets, revenues and costs, leases and its hedging program. In assessing the recoverability of its assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial results and expects to recover the net carrying amount of its assets. The Company also expects the demand for services to remain volatile for some more time. However, the actual impact of COVID-19 on the Company's financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

3. Property, plant and equipment

(Rupees in Million)

Particulars	Computer Hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Total
Cost					
As at April 1, 2019	**471.26**	**509.23**	**125.62**	**481.20**	**1,587.31**
Additions	86.52	37.80	25.61	47.15	197.08
Disposals	(17.68)	(138.82)	(45.48)	(98.61)	(300.59)
As at March 31, 2020	**540.10**	**408.21**	**105.75**	**429.74**	**1,483.78**
Additions	231.16	12.12	0.93	22.12	266.33
Disposals	(17.41)	(7.24)	(8.96)	(21.41)	(55.02)
As at March 31, 2021	**753.85**	**413.09**	**97.72**	**430.45**	**1,695.09**
Depreciation and impairment					
As at April 1, 2019	**348.26**	**223.63**	**61.66**	**363.63**	**997.17**
Depreciation charge for the year	79.15	55.99	20.82	67.79	223.75
Disposals	(17.66)	(134.29)	(34.81)	(93.27)	(280.03)
As at March 31, 2020	**409.76**	**145.33**	**47.67**	**338.15**	**940.89**
Depreciation charge for the year	177.25	35.69	13.98	47.78	274.70
Disposals	(17.39)	(6.39)	(6.49)	(20.23)	(50.50)
As at March 31, 2021	**569.62**	**174.63**	**55.16**	**365.70**	**1,165.09**
Net Book Value					
As at March 31, 2021	**184.23**	**238.46**	**42.56**	**64.75**	**530.00**
As at March 31, 2020	**130.34**	**262.88**	**58.08**	**91.59**	**542.89**

Capital Work in Progress

(Rupees in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold improvements	-	2.65
	-	**2.65**

4. Intangible assets

(Rupees in Million)

Particulars	Computer Software
Cost	
As at April 1, 2019	**168.12**
Additions	28.03
Disposals	-
As at March 31, 2020	**196.15**
Additions	26.38
Disposals	-
As at March 31, 2021	**222.53**
Amortisation and impairment	
As at April 1, 2019	**152.43**
Amortisation charge for the year	15.15
Disposals	-
As at March 31, 2020	**167.58**
Amortisation charge for the year	17.08
Disposals	-
At March 31, 2021	**184.66**
Net Book Value	
As at March 31, 2021	**37.87**
As at March 31, 2020	**28.57**

5. Financial assets

(Rupees in Million)

5.1. Investments	As at March 31, 2021	As at March 31, 2020
Non current investments (Unquoted, carried at cost)		
Investments in equity shares of subsidiaries		
eClerx LLC (refer note 25)	1,721.84	483.22
eClerx Limited (refer note 25)	32.97	39.41
eClerx Private Limited (refer note 25)	4.26	4.63
eClerx Investments (UK) Limited (refer note 25)	494.53	498.79
Investments in preference shares of subsidiaries		
eClerx Investments Limited (refer note 25)	605.67	605.67
eClerx Investments (UK) Limited (refer note 25)	1,344.77	1,344.77
eClerx LLC (refer note 25)	1,244.02	-
	5,448.06	**2,976.49**
Less: Provision for diminution in value of investments	(605.67)	(605.67)
	4,842.39	**2,370.82**
Non current investments (Unquoted, carried at cost)		
eClerx Employee Welfare Trust (refer note 8)	312.71	312.71
Less: Provision for diminution in value of investment (refer note 8)	(312.71)	(312.71)
	-	-
Non current investments (Unquoted, carried at fair value through profit and loss)		
Talentick Edusolutions Private Limited (refer note 25)	2.40	2.40
	2.40	**2.40**
Total Non- Current Investments	**4,844.79**	**2,373.22**
Current investments (Quoted, carried at fair value through profit and loss)		
Investments in mutual funds (refer note 26)	2,282.30	4,363.78
Total current investments	**2,282.30**	**4,363.78**
Aggregate book value of quoted investments	2,282.30	4,363.78
Aggregate market value of quoted investments	2,282.30	4,363.78
Aggregate value of unquoted investments	4,844.79	2,373.22
Aggregate amount of impairment in value of investments	918.38	918.38

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 25 and 26 and for determination of fair values, refer note 36.

(Rupees in Million)

5.2 Derivative instruments	As at March 31, 2021	As at March 31, 2020
Financial assets		
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	264.56	-
Total derivative instruments at fair value through OCI	**264.56**	**-**
Current	239.03	-
Non Current	25.53	-
	264.56	**-**
Financial liabilities		
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	341.00
Total derivative instruments at fair value through OCI	**-**	**341.00**
Current	-	244.37
Non Current	-	96.63
	-	**341.00**

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

6. Trade receivables

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	1,908.01	1,691.10
Receivables from other related parties	35.05	23.04
Total trade receivables	**1,943.06**	**1,714.14**
Considered good - Secured	-	-
Considered good - Unsecured	1,943.06	1,714.14
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	0.84	-
	1,943.90	**1,714.14**
Less: Loss allowance	(0.84)	-
	1,943.06	**1,714.14**

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.

7.a. Cash and cash equivalents

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In current accounts	1,381.76	621.12
Earmarked bank balance towards dividend	0.58	0.74
Earmarked bank balance towards fractional share payout	0.01	0.01
	1,382.35	**621.87**
7.b. Other bank balances		
Deposits with original maturity of more than three months but less than twelve months	781.61	123.45
Deposits with original maturity of more than twelve months	0.24	1,408.00
Interest receivable	8.17	52.50
Deposits pledged with banks against bank guarantees	321.08	0.30
	1,111.10	**1,584.25**
	2,493.45	**2,206.12**

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 181 days to 2192 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.

8. Long term loans

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
eClerx Employee Welfare Trust		
Loans receivables considered good - unsecured	-	-
Loans receivables with significant increase in credit risk	982.63	918.35
Less: Loss allowance	(271.03)	(206.75)
	711.60	**711.60**

The Company has created an eClerx Employee Welfare Trust ("ESOP Trust") for providing share-based payment to its employees. The Company uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the Company from the market, for giving shares to employees. The Company has provided loan to ESOP Trust at the weighted average rate of 7.00% for the period of 4-6 years for purchase of treasury shares (March 31, 2020 : 7.00%). In the standalone financial statements, the Company treats the ESOP Trust as a separate investment and loan given to ESOP trust is treated as loan carried at amortised cost.

During the previous year ended March 31, 2020, due to significant difference between the purchase price of shares held by the ESOP Trust and exercise price of the share options / market price of shares, the Company estimated the inability of the ESOP Trust to service it's loan obligations when due. Hence, the Company decided to discontinue charging interest on this loan with effect from October 1, 2019. Accordingly, the Company recalculated gross carrying amount of loan and the difference of Rs 312.71 million has been shown as investment in the ESOP Trust. The gross carrying amount of loan has been recalculated as present value of the modified contractual cashflows that are discounted at the effective interest rate. Subsequently, interest income on discounted amount is recognised using effective interest rate.

As at March 31, 2021, the Company has receivables in form of investment and loans of Rs 1,200 million from the ESOP Trust. Considering significant difference between purchase price of shares and exercise price of share options/ market price of shares during the previous year ended March 31, 2020, the Company assessed significant increase in credit risk on these receivables and calculated cashflows that the Company expects to receive from these receivables. Consequently, it has made an impairment provision of Rs 312.71 million towards investment and Rs 175.69 million towards loans receivables from ESOP Trust and disclosed total impairment provision of Rs 488.40 million as an exceptional item for the previous year ended March 31, 2020.

Further, loss allowance of Rs 271.03 million (March 31, 2020: Rs. 206.75 million) includes loss allowance of Rs. 64.28 million pertaining to financial year 2020-21 and Rs 31.06 million pertaining to previous financial year 2019-20 towards interest receivable for the respective years.

9. Other financial assets

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Corporate premises rent deposits	141.30	95.05
Other deposits	16.70	13.82
Staff Accomodation Rent Deposit	-	0.30
Deposit with original maturity more than twelve months	-	0.61
Deposits pledged with banks against bank guarantees & foreign exchange hedges	6.35	6.58
	164.35	**116.36**

Time deposits are placed for varying periods ranging from 1,461 days to 1,828 days, depending on the immediate cash requirements of the Company. The time deposits earn interest at the respective deposit rates.

Current		
Unbilled receivables	805.66	964.91
Recoverable expenses from client	0.84	5.25
Other advances	72.96	41.36
	879.46	**1,011.52**
	1,043.81	**1,127.88**

Break up of financial assets carried at amortised cost

Trade receivables (refer note 6)	1,943.06	1,714.14
Cash and cash equivalents and other bank balances (refer note 7.a. and 7.b.)	2,493.45	2,206.12
Long term loans (refer note 8)	711.60	711.60
Other financial assets (refer note 9)	1,043.81	1,127.88
Total financial assets carried at amortised cost	**6,191.92**	**5,759.74**

10. Other non-current assets

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	30.48	42.82
Capital advances	1.46	2.63
Goods & Service Tax ("GST") credits	3.45	142.28
Service tax and other tax credits	-	4.15
	35.39	**191.88**

11. Other current assets

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Prepaid expense	99.44	119.17
GST, Service tax and other tax credits	198.95	76.29
Service Exports from India Scheme Licence ("SEIS") receivables	217.00	217.00
	515.39	**412.46**

12. Share capital

(Rupees in Million)

	Equity shares	
	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
50,010,000 (March 31, 2019: 50,010,000) shares of Rs. 10 each	500.10	500.10
Issued, subscribed and fully paid up		
34,889,586 (March 31, 2020: 36,983,401) shares of Rs. 10 each fully paid up	348.90	369.83

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

The Company has issued 10,180,609 shares by way of bonus issue by capitalising securities premium during the period of five years immediately preceding the balance sheet date.

Aggregate number of equity shares bought back during the period of five years immediately preceding the reporting date:

The Board of Directors vide their meeting dated July 06, 2020 approved buyback of equity shares of the Company for an aggregate amount not exceeding Rs. 1,095 million at a buyback price not exceeding Rs. 550 per equity share from the shareholders/beneficial owners of the company (other than those who are promoters, members of promoter Group and persons in control of the Company). The Company bought back 2,093,815 equity shares of Rs 10 each at an average price of Rs. 522.97 per share amounting to Rs. 1,095 million and concluded the said buyback on July 22, 2020. The shares so bought back were extinguished and the issued and paid up capital stands amended accordingly. Further, the Company has incurred buy back expenses of Rs. 9.47 million and buy back tax of Rs. 243 million which have been charged to retained earnings. During the period of 5 years immediately preceding the balance sheet date the Company bought back 1,746,666 shares in FY 2019-20 and 1,290,000 shares in FY 2017-18 and 1,170,000 shares in FY 2016-17.

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

(Rupees in Million)

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% Holding	Number of shares	% Holding
Anjan Malik	9,365,204	26.84%	9,365,204	25.32%
PD Mundhra	9,369,043	26.85%	9,369,043	25.33%
HDFC Trustee Company Limited - HDFC Children's Gift Fund - Investment Plan	2,237,987	6.41%	-	-
HDFC Trustee Company Limited - HDFC Tax Saver Fund	-	-	2,463,844	6.66%

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 30.

13. Other equity

(Rupees in Million)

Securities premium	
As at April 1, 2019	**181.00**
Add: Transferred from share based payment reserve on exercise of options	3.30
Add: Premium on issue of shares allotted pursuant to exercise of options	10.52
Less: Amount utilised on account of buyback of shares	(180.99)
As at March 31, 2020	**13.83**
Less: Amount utilised on account of buyback of shares	(13.83)
As at March 31, 2021	**(0.00)**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, buy back of equity shares, etc. in accordance with the provisions of the Companies Act, 2013.

Share based payment reserve	
As at April 1, 2019	**207.17**
Less: Transfer to securities premium on exercise of stock options	(3.30)
Less: Share based payment charge / (credit) net off stock options forfeited during the year	(8.79)
Less: Transfer to retained earnings on account of stock options not exercised	(9.92)
As at March 31, 2020	**185.16**
Less: Share based payment charge / (credit) net off stock options forfeited during the year	(12.15)
Less: Transfer to retained earnings on account of stock options not exercised	(27.58)
As at March 31, 2021	**145.43**

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

(Rupees in Million)

Cashflow Hedging reserve	
As at April 1, 2019	**149.72**
Less: Net movement on cash flow hedges	(548.35)
Add: Deferred tax on net movement on cash flow hedges	143.43
As at March 31, 2020	**(255.20)**
Add: Net movement on cash flow hedges	605.57
Less: Deferred tax on net movement on cash flow hedges	(152.41)
As at March 31, 2021	**197.96**

The Company uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Company uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Capital reserve	
As at April 1, 2019	**0.10**
As at March 31, 2020	**0.10**
As at March 31, 2021	**0.10**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

Capital redemption reserve	
As at April 1, 2019	**24.98**
Add : Amount transferred from retained earnings on account of buyback of shares	17.47
As at March 31,2020	**42.45**
Add : Amount transferred from retained earnings on account of buyback of shares	20.94
As at March 31, 2021	**63.39**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

SEZ Re-investment Reserve Account	
As at April 1, 2019	**0.71**
Less: Amount unutilised transferred to retained earnings during the year	(0.71)
As at March 31,2020	**0.00**
Less: Amount unutilised transferred to retained earnings during the year	-
As at March 31, 2021	**-**

The Special Economic Zone (SEZ) re-investment reserve was created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve was required to be utilised by the Company for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961

During the years ended March 31, 2021 and March 31,2020, the Company has accounted tax expense as per the rates prescribed under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly Sec 10AA of Income-tax Act, 1961 is not applicable and balance amount of SEZ Re-investment Reserve Account is transferred to retained earnings.

(Rupees in Million)

Retained earnings	
As at April 1, 2019	**12,096.83**
Add: Profit during the year	1,235.71
Less: Remeasurement losses on defined benefit plans	(13.37)
Add: Transfer on account of stock options not exercised	9.92
Less: Dividend and dividend tax paid (refer note 14)	(44.58)
Less: Share buyback expenses	(24.51)
Less: Impact on account of Appendix C to Ind AS 12 (Refer note 2.2(d))	(16.46)
Less: Impact on account of adoption of IND AS 116 (Refer note 2.2(h)	(48.34)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(17.47)
Less: Amount utilised on account of buy back of shares	(2,421.54)
Add: Unutilized SEZ reinvestment reserve reversed during the year	0.71
As at March 31, 2020	**10,756.90**
Add: Profit during the year	2,389.04
Less: Remeasurement losses on defined benefit plans	(23.95)
Add: Transfer on account of stock options not exercised	27.58
Less: Dividend paid (refer note 14)	(34.89)
Less: Share buyback expenses	(9.47)
Less: Tax on buyback of shares	(243.00)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(20.94)
Less: Amount utilised on account of buy back of shares	(1,060.24)
As at March 31, 2021	**11,781.03**

Retained earnings represent the amount of accumulated earnings of the Company.

Other reserves	As at March 31, 2021	As at March 31, 2020
Securities premium account	-	13.83
Share based payment reserve	145.43	185.16
Cashflow Hedging reserve	197.96	(255.20)
Capital reserve	0.10	0.10
Capital redemption reserve	63.39	42.45
Retained earnings	11,781.03	10,756.90
	12,187.91	**10,743.24**

The disaggregation of changes in Other Comprehensive Income ("OCI") by each type of reserves in equity is disclosed in note 27.

14. Distribution made and proposed

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2020: Re. 1 per share (March 31, 2019: Rs. 1 per share)	34.89	36.98
Dividend distribution tax on final dividend	-	7.60
	34.89	**44.58**
Proposed dividends on equity shares:		
Cash dividend for the year ended on March 31, 2021: Re. 1 per share (March 31, 2020: Re. 1 per share)	34.89	36.98
Dividend distribution tax on proposed dividend	-	-
	34.89	**36.98**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2021.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

15. Employee benefit obligations

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Gratuity (refer note 29)	309.48	245.87
Incentive to employees	77.77	60.20
	387.25	**306.07**
Current		
Gratuity (refer note 29)	41.00	41.00
Compensated absences	155.62	208.02
Incentive to employees	398.42	372.22
	595.04	**621.24**

16. Trade payables

16.a. Dues of Micro enterprises and small enterprises

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Amount due to vendor	5.08	3.16
Principal amount paid (includes unpaid) beyond the apPointed date	-	-
Interest due and payable for the year	-	-
Interest accrued and remaining unpaid	-	-

16.b. Dues of creditors other than Micro enterprises and small enterprises

Trade payables	5.93	30.23
Trade payables to related parties	581.43	1,059.85
	587.36	**1,090.08**

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions with related parties, refer note 32
- For explanations on the Company's credit risk management processes, refer note 37.
- Trade payables are measured at amortised cost

17. Other financial liabilities

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Accrued expense	196.90	181.82
Contract liabilities	288.27	138.85
Payables for capital expenditure	8.28	13.69
Unpaid dividend	0.58	0.73
Unpaid fractional share payout	0.01	0.01
	494.04	**335.10**

Break up of financial liabilities at amortised cost		
Other financial liabilities (refer note 17)	494.04	335.10
Trade payables (refer note 16.a. and 16.b.)	592.44	1,093.24
	1,086.48	**1,428.34**

18. Other current liabilities

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Statutory dues	58.11	57.32
Others	0.16	-
	58.27	**57.32**

19. Income taxes

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Statement of profit and loss:
Profit and loss section

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Current Income tax:		
Current income tax charge	868.99	582.08
Adjustment in respect of current income tax of previous year	8.45	2.55
Deferred tax	(21.79)	12.84
Income tax expense reported in the statement of profit and loss	**855.65**	**597.47**
OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Net movement on cash flow hedges	(152.41)	143.43
Net movement on remeasurement losses on defined benefit plans	8.06	4.11
Deferred tax (charged) / credited charged to OCI	**(144.35)**	**147.54**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Accounting profit before income tax	**3,244.69**	**1,833.18**
At India's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	816.62	461.37
Tax effect of income not chargeable to tax	-	(16.36)
Adjustments in respect of current income tax of previous years	8.45	2.55
Effect of change in tax rate (refer note below)	-	33.21
Non-deductible (income)/ expenses for tax purposes	30.58	116.70
Income tax expense reported in the statement of profit and loss	**855.65**	**597.47**
At the effective income tax rate of 26.37% (March 31, 2020: 32.59%)		

Note: From the previous financial year 2019-20, the Company accounted the tax expense as per the rates prescribed under section 115BAA of the Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax assets (net) as at March 31, 2019 had been recomputed.

Deferred tax:

	Balance Sheet		Profit & Loss	
Deferred tax relates to the following:	As at March 31, 2021	As at March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Accelerated depreciation for tax purposes	134.01	128.84	(5.17)	3.35
Gratuity	73.71	65.76	(7.95)	2.05
Expenses available for offsetting against future taxable income	23.73	12.28	(11.46)	7.44
Leases as per IND AS 116	74.00	63.69	(10.31)	-
Gain on fair valuation of current investment	(13.10)	-	13.10	-
Deferred tax on cash flow hedges	(66.58)	85.83	-	-
Deferred tax on remeasurement gain on defined benefit plans	14.49	6.43	-	-
Deferred tax (income) / expense			**(21.79)**	**12.84**
Net deferred tax assets	**240.26**	**362.83**		

Reflected in the balance sheet as follows:	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	319.94	362.83
Deferred tax liabilities	(79.68)	-
Deferred tax assets, net	**240.26**	**362.83**
Reconciliation of deferred tax assets, net:		
Opening balance	**362.83**	**193.66**
Tax income / (expense) during the period recognised in profit and loss	21.79	(12.84)
Tax (expense) / income during the period recognised in OCI	(144.36)	147.54
Impact on account of adoption of IND AS 116 recognised in retained earning	-	34.47
Closing balance	**240.26**	**362.83**

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.

20. Revenue from operations

(Rupees in Million)

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Sale of services	11,974.01	11,186.34
Other operating revenue (refer note 22(a))	-	15.33
	11,974.01	**11,201.67**
Revenues consist of the following:		
Particulars		
Revenue from ITeS services	11,468.77	10,923.44
Revenue from software development, licensing of software products & related services	505.24	262.90
Total revenue from operations	**11,974.01**	**11,186.34**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Geography		
United States of America	8,694.63	8,152.87
United Kingdom	664.95	576.85
Europe	1,713.85	1,638.88
Asia Pacific	900.58	817.74
Total	**11,974.01**	**11,186.34**

Revenues by contract type		
Time & Materials	11,746.25	10,868.08
Fixed Price	227.76	318.26
Total	**11,974.01**	**11,186.34**

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price :

Revenue as per contracted price	12,082.29	11,259.33
Reductions towards variable consideration components*	(108.28)	(72.99)
Revenue from contract with customers	**11,974.01**	**11,186.34**

*The reduction towards variable component comprises of volume discounts.

During the year ended March 31, 2021, the Company recognised revenue of Rs.123.05 million arising from opening unearned revenue as of April 1, 2020.

During the year ended March 31, 2020, the Company recognised revenue of Rs 75.02 million arising from opening unearned revenue as on April 1, 2019.

During the years ended March 31, 2021 and March 31, 2020, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at March 31, 2021 and March 31, 2020, the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts:

a) where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and;

b) where the performance obligation is part of a contract that has an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialised and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is Rs. 666.82 million (March 31, 2020 Rs. 351.79 million). Out of this, the Company expects to recognise revenue of around 44.14% (March 31, 2020 Rs. 66.37%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

20(a). As per Service Exports from India Scheme ("SEIS") w.e.f. 01.04.2015 under the Foreign Trade Policy (FTP), 2015-20, the Company is eligible to get the duty credit scrips against export of services under defined category .The said income is accounted as other operating revenue. Other operating revenue of Rs. 15.33 million for the previous year ended March 31, 2020 represents true-up of SEIS income based on the filing made for the financial year 2018-19.

21. Other income

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend	-	65.02
Interest income on fixed deposits	82.24	131.63
Interest income on corporate rent deposits	15.35	11.45
Profit on sale of current investments	224.51	13.32
Interest income on loan to ESOP trust	-	42.12
Miscellaneous income	0.96	1.76
Foreign exchange gain (net)	-	118.18
Gain on fair valuation of current investment	-	121.20
Interest on ESOP Trust Loan as per Ind AS 109 (refer note 8)	64.28	31.06
Government Grant ("PMRPY")(refer Note 21(a))	0.78	4.27
Gain on lease modification	5.72	-
	393.84	**540.01**

21(a). The Company has received reimbursement of employers' contribution to Provident Fund under the Pradhan Mantri Rojgar Protsahan Yojna ("PMRPY") for new employment created. The Company has accounted the same under Other income.

22. Employee benefits expense

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	4,619.86	4,651.27
Contribution to provident and other funds	83.10	92.56
Employee stock compensation	9.29	8.79
Gratuity expense (refer note 29)	59.59	58.43
Staff welfare expense	24.37	33.86
	4,796.21	**4,844.92**

23. Depreciation and amortisation expense

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets (refer note 3)	274.70	223.75
Amortisation of intangible assets (refer note 4)	17.08	15.15
Depreciation on Right of use on lease assets (refer note 31)	208.26	207.03
	500.04	**445.93**

24. Other expense

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales and marketing services	2,246.41	2,455.33
Office base rentals	132.97	168.83
Travelling expenses	1.67	196.26
Communication expenses	106.57	109.46
Legal and professional charges	113.30	94.90
Repairs and maintenance		
Building	2.04	15.02
Others	2.52	9.67
Rates and taxes	17.28	16.53
Office expenses	15.73	40.58
Housekeeping services	20.68	41.62
Security charges	27.35	54.19
Other insurance	24.42	14.88
Subscription & membership fees	51.91	35.35
Electricity	65.74	77.24
Local conveyance	43.86	76.46
Loss allowance on interest receivable	64.28	31.06
Computer and electrical consumables	159.58	176.17
Printing and stationery	1.50	6.17
Bad debts written off	1.73	11.70
Provision for doubtful debts	0.84	(4.20)
Business promotion	0.52	3.35
Bank charges	6.39	7.85
Directors' sitting fees	2.52	1.87
Auditor's remuneration	9.50	8.20
Loss on foreign exchange fluctuation (net)	75.38	-
Fair value loss on financial instruments at fair value through profit or loss	70.23	-
Loss on sale of fixed assets/assets disposed off (net)	3.56	12.93
Corporate Social Responsibility ("CSR") expenditure (refer details below)	52.51	67.41
Miscellaneous expense	18.92	2.56
Interest receivables written off	-	21.70
	3,339.91	**3,753.09**

Research and development expenditure:

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

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue expenditure	89.00	82.58
Capital expenditure	-	-
	89.00	**82.58**

Payments to auditors:		
As auditor		
Audit fee	4.83	3.88
Limited review	3.27	3.27
In other capacity:		
Other services (certification fees)	1.40	0.65
Reimbursement of expenses	-	0.40
	9.50	**8.20**

Details of CSR expenditure:

Gross amount required to be spent by the Company during the year: Rs. 55.28 (March 31, 2020: Rs. 70.08) million.

For the year ended March 31, 2021			
	In cash	Yet to be paid in cash	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than above	52.51	-	52.51

For the year ended March 31, 2020			
i) Construction/acquisition of any asset	-	-	
ii) On purposes other than above	67.41	-	**67.41**

25. Details of non - current investments

(Rupees in Million)

	As at March 31		Currency	Face value	As at March 31	
	2021	2020			2021	2020
	No. of shares				Rupees in Million	
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 (Refer Note a below)	135	100	USD	1	1,721.84	483.22
eClerx Limited	100	100	GBP	1	32.97	39.41
eClerx Private Limited	1	1	SGD	1	4.26	4.63
eClerx Investments (UK) Limited	5,251,224	5,251,224	GBP	1	494.53	498.79

(Rupees in Million)

	As at March 31		Currency	Face value	As at March 31	
	2021	2020			2021	2020
	No. of shares				Rupees in Million	
Investments in unquoted preference shares (fully paid up) of subsidiaries [Trade]						
eClerx Investments Limited	7,776,000	7,776,000	GBP	1	605.67	605.67
eClerx Investments (UK) Limited	13,434,888	13,434,888	GBP	1	1,344.77	1,344.77
eClerx LLC (Refer Note a below)	74	-	USD	1	1,244.02	-
Non current investments (Unquoted, carried at cost)						
eClerx Employee Welfare Trust (refer note 8)	-	-	INR	-	312.71	312.71
Less: Provision for diminution in value of investment					(918.38)	(918.38)
Total					**4,844.79**	**2,373.22**

Note a – During the year, the Company has made further investment of Rs 2,493.02 million towards equity shares and preference shares. On May 21, 2021, eClerx LLC has allotted 35 equity shares of Rs 1,249 million and 74 preference shares of Rs 1,244.02 million.

26. Details of current investments

(Rupees in Million)

Investments in Indian money market mutual funds	As at March 31		As at March 31	
	2021	2020	2021	2020
	Number of units		Rupees in Million	
Aditya Birla Sun Life Floating Rate Fund- Growth-Direct Plan	-	648,272	-	163.56
Aditya Birla Sun Life Savings Fund- Growth- Regular Plan	-	809,233	-	321.69
Aditya Birla Sun Life Money Manager Fund- Growth- Direct Plan	-	1,000,516	-	271.06
Aditya Birla Sun Life Overnight Fund- Growth- Direct Plan	188,715	-	210.03	-
HDFC Money Market Fund- DP-Growth	-	67,233	-	283.71
HDFC Liquid Fund- Direct Plan- Growth Option	-	26,966	-	105.35
HDFC Overnight Fund - Direct Plan - Growth option	-	50,522	-	150.01
Kotak Corporate Bond Fund Direct Growth	-	115,185	-	317.95
Kotak Savings Fund-Direct Plan- Growth	-	9,766,294	-	320.86
ICICI Prudential Savings Fund - Growth	-	818,309	-	316.97
ICICI Prudential Liquid Fund Growth	-	179,416	-	52.71
ICICI Prudential Liquid Fund - Direct Plan - Growth- Short term	-	511,105	-	150.15
IDFC Ultra Short Term Fund Direct Plan - Growth	24,867,088	24,867,088	297.69	283.51
IDFC Low Duration Fund- Growth- (Direct Plan)	3,496,931	3,496,931	107.21	100.96
IDFC Cash Fund- Growth- (Direct Plan)	136,714	-	339.87	-
IDFC Low Duration Fund- Growth- (Regular Plan)	6,651,346	-	201.17	-
Invesco India Overnight Fund - Direct Plan Growth	54,259	-	56.45	-
Invesco India Liquid Fund - Direct Plan Growth	90,809	-	256.63	-

(Rupees in Million)

Investments in Indian money market mutual funds	As at March 31		As at March 31	
	2021	2020	2021	2020
	Number of units		Rupees in Million	
Nippon India Liquid Fund-Direct Plan-Growth Plan	-	20,631	-	100.07
Nippon India Money Market Fund- Growth Plan Growth Option	-	95,068	-	288.28
Nippon India Overnight Fund- Direct Growth Plan	-	492,066	-	52.74
UTI Liquid Cash Plan - Regular Plan - Growth	89,485	-	300.05	-
UTI liquid cash plan- Direct Growth Plan	-	30,779	-	100.08
Axis Liquid Fund- Direct Growth- Short Term	-	45,394	-	100.06
Axis Liquid Fund- Direct Growth	-	23,918	-	52.72
Axis Treasury Advantage Fund- Direct Growth	-	151,356	-	351.93
Axis Overnight Fund Direct Growth	-	15,608	-	16.47
DSP Liquidity Fund- Regular Plan- Growth	41,306	-	120.60	-
DSP Blackrock Low Duration Fund Fund - Direct Plan Growth	-	20,621,962	-	307.36
DSP Overnight Fund - Direct - Growth	24,677	-	27.20	-
DSP Savings Fund- Direct Plan- Growth	8,679,317	3,903,220	365.40	155.58
Total			**2,282.30**	**4,363.78**

27. Components of Other Comprehensive Income ("OCI")

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2021:

(Rupees in Million)

	Cash flow hedge reserve	Retained earnings	Total
Net movement on cash flow hedges	605.57	-	605.57
Income tax effect on net movement on cash flow hedges	(152.41)	-	(152.41)
Remeasurement losses on defined benefit plans	-	(32.01)	(32.01)
Income tax effect on remeasurement gains/(loss) on defined benefit plans	-	8.06	8.06
	453.16	**(23.95)**	**429.21**

During the year ended March 31, 2020:

(Rupees in Million)

	Cash flow hedge reserve	Retained earnings	Total
Net movement on cash flow hedges	(548.35)	-	**(548.35)**
Income tax effect on net movement on cash flow hedges	143.43	-	143.43
Remeasurement losses on defined benefit plans	-	(17.48)	(17.48)
Income tax effect on remeasurment gains/(losses) on defined benefit plans	-	4.11	4.11
	(404.92)	**(13.37)**	**(418.29)**

Exceptional items - gain/(loss)

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Provision for impairment (see note below)	-	(488.40)
	-	**(488.40)**

The Company has appointed eClerx Employee Welfare Trust ("ESOP Trust") to administer the employee stock option scheme. For this purpose, the ESOP Trust borrowed funds from the Company and purchased the Company's shares from the open market since financial year 2016-17 for the purpose of allotting the same to eligible employees. During previous year ended March 31, 2020, due to significant difference between the purchase price of these shares and exercise price of the share options / market price of shares, the Company estimated the inability of the ESOP Trust to service it's loan obligations. Hence, the Company made a provision of Rs 488.40 million in the previous year ended March 31, 2020 for receivables from ESOP Trust (refer note 8).

28. 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:

	As at March 31, 2021	As at March 31, 2020
Profit attributable to equity holders (Rupees in Million)	2,389.04	1,235.71
Weighted average number of equity shares for basic EPS	35,505,224	37,383,808
Dilutive impact of employee stock options	138,147	9,894
Weighted average number of equity shares adjusted for the effect of dilution	35,643,371	37,393,702

Earnings per equity share (in Rs.)

Basic	67.29	33.05
Diluted	67.03	33.05

29. 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:

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Current service cost	40.77	39.99
Interest cost on benefit obligation	19.39	19.28
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	(0.84)
	59.59	**58.43**

(Rupees in Million)

	Defined benefit obligation	Fair value of plan assets	Total
Employee benefit liability as on April 1, 2019	**258.12**	**11.20**	**246.92**
Gratuity cost charged to statement of profit and loss			
Current service cost	39.99	-	39.99
Net interest expense	19.28	-	19.28
Return on plan assets (excluding amounts included in net interest expense)	-	0.84	(0.84)
Sub-total included in statement of profit and loss (refer note 22)	**59.27**	**0.84**	**58.43**
Benefits paid			
from fund	(39.32)	(39.32)	-
paid by employer	-	-	-
Remeasurement losses in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	5.64	-	5.64
Actuarial changes arising from changes in financial assumptions	0.98	-	0.98
Experience adjustments	10.86	-	10.86
Sub-total of remeasurment losses included in OCI	**17.48**	**-**	**17.48**
Contributions by employer	**-**	**35.96**	**(35.96)**
Employee benefit liability as on March 31, 2020	**295.55**	**8.68**	**286.87**
Employee benefit liability as on April 1, 2020	**295.55**	**8.68**	**286.87**
Gratuity cost charged to statement of profit and loss			
Current service cost	40.77	-	40.77
Net interest expense	19.39	-	19.39
Return on plan assets (excluding amounts included in net interest expense)	-	0.57	(0.57)
Sub-total included in statement of profit and loss (refer note 22)	**60.16**	**0.57**	**59.59**
Benefits paid			
from fund	(33.49)	(33.49)	-
paid by employer	**-**	**-**	**-**
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.42)	-	(0.42)
Experience adjustments	32.30	-	32.30
Sub-total of remeasurment losses included in OCI	**31.88**	**-**	**31.88**
Contributions by employer	-	27.86	(27.86)
Employee benefit liability as on March 31, 2021	**354.10**	**3.62**	**350.48**

The principal assumptions used in determining gratuity obligations of the Company are shown below:

	March 31, 2021	March 31, 2020
	%	%
Discount rate:		
India gratuity plan	6.57	6.56
Future salary increases:		
India gratuity plan	6.00	6.00
Assumption:		
Expected return on plan assets	6.57	6.56
Employee turnover:		
a. For service 4 years and below (p.a.)	33.00	33.00
b. For service 5 years and above (p.a.)	4.00	4.00

Mortality Rate During Employment is based on report of Indian Assured Lives Mortality (2006-08).

A quantitative sensitivity analysis for significant assumption is as shown below:

Effect of +1% Change in discount rate	(38.39)	(32.14)
Effect of -1% Change in discount rate	45.77	38.42
Effect of +1% Change in future salary increases	39.83	33.26
Effect of -1% Change in future salary increases	(34.86)	(29.04)
Effect of +1% Change in employee turnover	1.85	2.48
Effect of -1% Change in employee turnover	(2.32)	(2.95)

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

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	15.89	14.06
Between 2 and 5 years	66.98	58.18
Between 5 and 10 years	103.79	81.85
Total expected payments	**186.67**	**154.09**

The average duration of the defined benefit plan obligation at the end of the reporting period is 14 years (March 31, 2020: 14 years).

30. Share-based payments

Employee Stock Option Plan

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

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

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Expense arising from equity-settled share-based payment transactions	9.29	8.79
Total expense arising from share-based payment transactions	**9.29**	**8.79**

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:

(Rupees in Million)

	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	136,053	1,196.25	281,426	1,076.21
Forfeited during the year	136,053	1,196.25	126,401	938.20
Exercised during the year	-	-	18,972	564.05
Outstanding at the end of the year	**-**	**-**	**136,053**	**1,196.25**
Exercisable at the end of the year	-		136,053	

No options were exercised during the year. The weighted average share price at the date of exercise of these options for previous year March 31, 2020 was Rs. 1,128.06 per share.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is Nil (March 31, 2020: 1.15 years).

There are no options outstanding at the end of the year. Exercise prices for options outstanding at the end of the previous year March 31, 2020 was Rs. 1,196.25.

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 eClerx Employee Welfare Trust ("ESOP Trust") which is authorised for secondary acquisition. However, during the year in review, ESOP trust has not bought any shares (March 31,2020: Nil) from open market. As at March 31, 2021, ESOP Trust holds 883,605 shares of the Company.

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:

(Rupees in Million)

	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	**930,698**	**1,082.00**	**867,345**	**1,327.84**
Granted during the year	318,080	413.03	343,451	595.70
Forfeited during the year	184,730	1,185.44	280,098	1,243.81
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**1,064,048**	**864.21**	**930,698**	**1,082.00**
Exercisable at the end of the year	212,827		98,279	

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 was 3.77 years (March 31, 2020: 4.06 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 413.03 to Rs. 1,379.15 (March 31, 2020: Rs. 595.70 to Rs. 1,379.15).

The weighted average fair value of options granted during the year was Rs. 85.29 (March 31, 2020: Rs. 50.59)

The average vesting period is 3 years and exercise period is 3 years from the date of vesting.

The following tables list the inputs to the models used for fair valuation of the options granted :

(Rupees in Million)

	For the year ended March 31,2021	For the year ended March 31,2020
Date of grant	June 09, 2020	August 02, 2019
Dividend yield (%)	7.49	12.06
Expected volatility (%)	35.83	28.20
Risk–free interest rate (%)	5.38	6.10
Expected life of share options (years)	4.31	4.17
Model used	Black and Scholes	Black and Scholes
Stock Price (Rs.)	413.03	595.70
Exercise Price (Rs.)	413.03	595.70

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.

31.a. Leases

(Rupees in Million)

Group as lessee

The Company has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method.

The changes in the carrying values of right-of-use asset for the year ended March 31, 2021 and March 31, 2020 are given below.

Gross carrying value	
As at April 01, 2019	**-**
Adjustment on account of IND AS 116 "Leases"	884.30
Additions	341.39
Deletions	-
As at March 31, 2020	**1,225.69**
Additions	135.79
Deletions	81.08
As at March 31, 2021	**1,280.40**
Depreciation and impairment	
As at April 1, 2019	**-**
Depreciation charge for the year	207.03
Deletions	-

As at March 31, 2020	**207.03**
Depreciation charge for the year	208.26
Deletions	50.06
As at March 31, 2021	**365.23**

Net Book Value	
As at March 31, 2021	**915.17**
As at March 31, 2020	**1,018.66**

Set out below are the carrying amounts of lease liabilities and the movements during the the year ended March 31, 2021 and March 31, 2020:

As at April 01, 2019	**-**
Adjustment on adoption of Ind AS 116 'Leases'	1,091.65
Additions	341.39
Deletions	-
Accretion of interest	176.62
Repayments	(339.71)
As at March 31, 2020	**1,269.95**
Additions	135.79
Deletions	(34.43)
Accretion of interest	183.62
Repayments	(346.48)
As at March 31, 2021	**1,208.45**

(Rupees in Million)

	March 31, 2021	March 31, 2020
Current	184.08	146.43
Non-current	1024.37	1,123.52
	1208.45	**1,269.95**

The maturity analysis of undiscounted lease liabilities as at March 31, 2021 and March 31, 2020 are as follows:

Less than 1 year	348.53	320.57
1 to 5 years	1,095.45	1,165.38
>5 years	409.63	586.28
	1,853.61	**2,072.23**

The following amounts are recognised in Statement of Profit and Loss for the year ended March 31, 2021:

Depreciation expenses on right-of-use assets	208.26	207.03
Interest expense on lease liabilities	183.62	176.62
	391.88	**383.65**

The Company had total cash outflows for leases of Rs. 346.48 million for the year ended March 31, 2021 (March 31, 2020: 339.71 million). There are no non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2021 (March 31, 2020: Nil). There are no future cash outflows relating to leases that have not yet commenced.

The minimum rental payments to be made in future in respect of leases to which the Company has chosen to apply the practical expedient as per the standard as of March 31, 2021 is as follows:

Less than 1 year	3.09	2.20
1 to 5 years	-	-
>5 years	-	-
	3.09	**2.20**

31. b. Commitments

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	45.49	20.09

31. c. Contingent liabilities

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
Income tax demands (refer note a and b)	205.33	116.41
Indirect tax demands (refer note c)	128.29	136.99

Notes:

(a) The Company has received Income tax demands amounting to Rs.116.41 million (including interest) for financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 against which appeals are pending with Commissioner of Income Tax (Appeals) and Income tax Appelate Tribunal.

(b) The Company has received Income Tax demands amounting to Rs.88.92 million (including interest) for financial years 2016-17 and 2017-18 against which rectification letter & revised return have been filed with the deputy commissioner of Income-tax.

(c) The Company has received Service tax demands amounting to Rs. 125.10 million (excluding interest and penalties) for the period April 2007 to March 2013 against which appeals are pending with Central Excise and Service Tax Appelate Tribunal and Rs.3.18 million (excluding interest and penalties) for the period April 2013 to March 2017 against which appeals are pending with Commissioner of Central Excise (Appeals).

With respect to tax refund claims for the period July 2014 till March 2017 to the extent rejected by the Services Tax Department for Rs.2.08 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 except Rs 15.22 million has been provided as per requirement of Appendix C to Ind AS 12 Income Taxes.

32. Related party transcations

A. Related Parties and Key Management Personnel

Name of related party and related party relationship

Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013

(a)	Where control exists:
1.	eClerx Limited (wholly owned subsidiary)
2.	eClerx LLC (wholly owned subsidiary)
3.	eClerx Private Limited (wholly owned subsidiary)
4.	eClerx Investments (UK) Limited (wholly owned subsidiary)
5.	CLX Europe S.P.A. (100% subsidiary of eClerx Investments (UK) Limited)
6.	eClerx B.V. (100% subsidiary of eClerx Investments (UK) Limited)
7.	CLX Europe Media Solution GmbH (100% subsidiary of CLX Europe S.P.A.)
8.	CLX Europe Media Solution Limited (100% subsidiary of CLX Europe Media Solutions GmbH)
9.	CLX Thai Company Limited (49% holding of CLX Europe S.P.A.)
10.	eClerx Employee Welfare Trust (Entity under control of the Company)
11.	eClerx Canada Limited (wholly owned subsidiary of eClerx Investments (UK) Limited)
12.	Eclipse Global Holdings LLC (100% subsidiary of eClerx LLC)
13.	Personiv Contact Centers LLC (100% subsidiary of Eclipse Global Holdings LLC)
14.	ASEC Group, LLC (100% subsidiary of Eclipse Global Holdings LLC)
15.	AGR Operations Manila Inc. (99.99% holding of Personiv Contact Centers LLC)
16.	AG Resources (India) Private Limited. (99.98% holding by Personiv Contact Centers LLC)
17.	Personiv Contact Centers India Private Limited. (99.85% holding by Personiv Contact Centers LLC)

(b)	Key Management Personnel:		
1.	**Pradeep Kapoor** (Non-Executive Director - Chairman)	7.	**Anish Ghoshal** (Non-Executive Independent Director)
2.	**PD. Mundhra** (Executive Director)	8.	**Alok Goyal** (Non-Executive Independent Director)
3.	**Anjan Malik** (Non-Executive Director)	9.	**Deepa Kapoor** (Non-Executive Independent Director)
4.	**Rohitash Gupta** (Chief Financial Officer)	10.	**Shailesh Kekre** (Non-Executive Independent Director)
5.	**Pratik Bhanushali** (Company Secretary)	11.	**Srinjay Sengupta** (Additional Non-Executive Independent Director) (w.e.f. January 28, 2021)
6.	**Biren Gabhawala** (Non-Executive Independent Director)		

B. Details of related party & key management personnel transactions:

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

Transactions with Wholly owned subsidiaries / Step down subsidiaries:

(Rupees in Million)

Name	Nature of Transaction	Transactions during the year		Outstanding Balance As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
eClerx Limited	Sales and marketing services by subsidiary to the Company	457.89	415.57	137.06 Payable	134.81 Payable
	Amount received by the Company on behalf of the subsidiary	-	7.24		
	Expense incurred by subsidiary on behalf of the Company	0.54	-		
	Information Technology Enabled Services ("ITES") services by subsidiary to the Company	120.35	108.00		
	Amount received by subsidiary on behalf of the Company	-	9.31	-	-
	Expense incurred by the Company on behalf of subsidiary	-	3.34		
eClerx LLC	Sales and marketing services by subsidiary to the Company	1,654.29	1,908.59	406.39 Payable	887.18 Payable
	Amount received by the Company on behalf of the subsidiary	26.57	12.04		
	ITES services by subsidiary to the Company	58.39	28.11		
	Expense incurred by subsidiary on behalf of the Company	9.67	17.78		
	Expense incurred by the Company on behalf of subsidiary	0.59	1.48	11.65 Receivable	-
	Amount received by subsidiary on behalf of the the Company	88.33	4.06		
	ITES services by the Company to subsidiary company	106.86	3.55		
	Investment in subsidiary	2,493.02	-		
eClerx Private Limited	Sales and marketing services by subsidiary to the Company	102.75	112.69	27.55 Payable	24.28 Payable
	ITES services by subsidiary to the Company	30.00	6.86		
	Expense incurred by the Company on behalf of subsidiary	-	0.36	2.48 Receivable	2.11 Receivable
	ITES services by the Company to the subsidiary	31.92	26.20		
CLX Europe S.P.A.	ITES services provided by subsidiary to the Company	34.71	25.72	6.16 Payable	8.54 Payable
	ITES services provided by the Company to subsidiary	117.76	107.01	20.92 Receivable	20.93 Receivable
eClerx Canada Limited	Sales and marketing services by subsidiary to the Company	31.48	18.47	3.69 Payable	5.04 Payable
	ITES services by subsidiary to the Company	0.67	0.85		
eClerx B.V.	ITES services by subsidiary to the Company	22.37	-	0.58 Payable	-
eClerx Employee Welfare Trust*	Loan given including accrued interest	-	42.12	711.60 Receivable	711.60 Receivable
	Interest on ESOP Trust Loan as per Ind AS 109	64.28	31.06		
	Loss allowance (refer note 8)	64.28	519.46		
	Receipt of interest receivables	-	112.72		
	Interest receivables written off	-	21.70		

*Entity under control of the Company

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 ("ESOP 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. The Company has discontinued charging interest on this loan with effect from October 01, 2019 (The weighted average interest rate for the year ended March 31, 2020 was 7.00%) . The loan has been utilised for the purpose it was granted. Refer note 8 for further details.

Transactions with key management personnel:

(Rupees in Million)

Name	Nature of Transaction	As at March 31, 2021	As at March 31, 2020
Anjan Malik	Dividend	9.37	9.37
PD. Mundhra	Dividend	9.37	9.37
Pradeep Kapoor	Dividend	0.01	0.01
Rohitash Gupta	Dividend	0.03	0.01
Biren Gabhawala	Dividend	0.01	0.01
Anish Ghoshal	Dividend	0.01	0.01
Biren Gabhawala	Commission & Sitting Fees	2.32	2.20
Anish Ghoshal	Commission & Sitting Fees	2.32	2.20
Pradeep Kapoor	Commission & Sitting Fees	2.32	2.20
Alok Goyal	Commission & Sitting Fees	2.26	2.20
Deepa Kapoor	Commission & Sitting Fees	2.32	2.20
Shailesh Kekre	Commission & Sitting Fees	2.32	2.26
Srinjay Sengupta	Commission & Sitting Fees	0.38	-
PD. Mundhra	Buy Back of shares	-	591.58
Anjan Malik	Buy Back of shares	-	591.34
Pradeep Kapoor	Buy Back of shares	-	0.49
Biren Gabhawala	Buy Back of shares	-	0.38

(Rupees in Million)

Compensation of key management personnel of the Company	As at March 31, 2021	As at March 31, 2020
PD. Mundhra		
Short-term employee benefits	24.84	21.39
Rohitash Gupta		
Short-term employee benefits	14.35	13.75
Share-based payment	-	-
Pratik Bhanushali		
Short-term employee benefits	4.09	3.50
Total compensation paid to key management personnel	**43.28**	**38.64**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel except share based payment which is disclosed on the basis of shares exercised.

33. 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:

(Rupees in Million)

Revenue from customers	For the year ended	
	March 31, 2021	March 31, 2020
United States of America	8,694.63	8,152.87
United Kingdom	664.95	576.85
Europe	1,713.85	1,638.88
Asia Pacific	900.58	817.74
Total Revenue	**11,974.01**	**11,186.34**

The Company has three customers with revenue greater than 10% each of total company revenue totalling Rs. 5,089.81 million for the year ended March 31, 2021 and four customers with revenue greater than 10% each of total company revenue totalling Rs. 6,158.86 million for the year ended March 31, 2020.

(Rupees in Million)

Non -current operating assets	As at March 31, 2021	As at March 31, 2020
Asia Pacific	1,623.09	1,888.06
Total Assets	**1,623.09**	**1,888.06**

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

34. Hedging activities and derivatives

Cash Flow Hedges

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in US Dollars. These forecast transactions are highly probable, and they comprise about 65.51% of the Company's total expected sales in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in the foreign exchange forward rate. The terms of foreign currency forward contracts match with the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

March 31, 2021

Type of Hedge and Risks	Nominal Value (Rupees in Million)	Carrying amount of hedging instrument (Rupees in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	10,666.67	264.56	-	April 2021-March 2023	77.75
March 31, 2020					
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,565.30	-	341.00	April 2020-April 2022	75.17

The cash flow hedges of the expected future sales during the year ended March 31, 2021 were assessed to be highly effective and a net unrealised gain of Rs. 264.56 million, with a deferred tax liability of Rs. 66.58 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, 2020 were assessed to be highly effective and an unrealised loss of Rs. 341.00 million, with a deferred tax asset of Rs.85.83 million was included in OCI in respect of these contracts.

The amounts reclassified from OCI to profit or loss for the year ended March 31, 2021, amounts to gain of Rs. 58.53 million (March 31, 2020: gain of Rs. 98.63 million).

35. 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)

Type of Hedge and Risks	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial investments	2,282.30	4,363.78	2,282.30	4,363.78
Foreign exchange forward contracts - (Liabilities)/Assets	264.56	(341.00)	264.56	(341.00)
Total	**2,546.86**	**4,022.78**	**2,546.86**	**4,022.78**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

For loan given to the ESOP Trust refer note 8. The management believes that difference between carrying value and fair value of loan given to ESOP Trust is not significant.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets carried at fair value through profit and loss ("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, 2021, the marked-to-market value of derivative asset / (liability) 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.

36. 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, 2021:

(Rupees in Million)

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets / (Liabilities) measured at fair value:					
Foreign exchange forward contracts	March 31, 2021	264.56	-	264.56	-
FVTPNL financial investments (refer note 35):					
Investments in quoted mutual funds	March 31, 2021	2,282.30	2,282.30	-	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Foreign exchange forward contracts	March 31, 2020	(341.00)	-	(341.00)	-
FVTPNL financial investments (refer note 35):					
Investments in quoted mutual funds	March 31, 2020	4,363.78	4,363.78	-	-

37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives and lease liabilities, 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, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPNL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken which is consistent with the Company's foreign risk management policy. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTPNL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

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, 2021.

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, 2021 and March 31, 2020 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, 2021 and March 31, 2020 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, 2021, the Company hedged 65.51% (March 31, 2020: 66%) of its expected foreign currency sales in US dollars. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

(Rupees in Million)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2021	+5%	142.98	(13.23)
	-5%	(142.98)	13.23
March 31, 2020	+5%	151.52	(17.05)
	-5%	(151.52)	17.05

(Rupees in Million)

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2021	+5%	5.90	-
	-5%	(5.90)	-
March 31, 2020	+5%	5.20	**-**
	-5%	(5.20)	**-**

Equity price risk

The Company's equity price risk is minimal due to no investment in listed securities and immaterial investment in non-listed equity securities.

At the reporting date, the exposure to unlisted equity securities at was Rs. 2.4 million. No sensitivity analysis done since amount is immaterial.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. For loan given to ESOP trust, refer note 8.

Trade receivables

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

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

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

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

Financial instruments and bank 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 derivative instruments is noted in note 34 and 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 maintain 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 year	Total
Year ended March 31, 2021					
Other financial liabilities	-	368.23	125.81	-	494.04
Trade and other payables	-	584.05	8.39	-	592.44
	-	**952.28**	**134.20**	**-**	**1,086.48**

The maturity analysis of lease liabilities are disclosed in Note 32.a.

Year ended March 31, 2020					
Other financial liabilities	-	251.20	83.90	-	335.10
Trade and other payables	-	1,068.72	24.52	-	1,093.24
	-	**1,319.92**	**108.42**	**-**	**1,428.34**

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.

38. 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 Company. 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, 2021 and March 31, 2020.

39. 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.

As per our report of even date

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

per Vineet Kedia
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of eClerx Services Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of eClerx Services Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") comprising of the consolidated Balance Sheet as at March 31 2021, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Group enters into long term and short-term customer contracts. Revenue from these contracts is recognized in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers (as described in note 2.3 (d) and note 22 of the consolidated Ind AS financial statements). Revenue from sale of services for the year ended March 31, 2021 amounted to Rs 15,644.91 million and unbilled receivables as at March 31, 2021 amounted to Rs 874.27 million. Considering amount and volume of transactions, there is a risk that unbilled revenue at period end date, did not occur or is not as per terms agreed with customers	• Our audit procedures included assessing the Group's revenue recognition accounting policies in accordance with Ind AS 115, Revenue from Contracts with Customers. • We obtained an understanding of management's internal controls over the revenue process and evaluated whether these were designed in line with the Group's accounting policies. We tested relevant internal controls, including IT controls, over revenue process. • We tested a sample of new revenue contracts entered by the Group, to assess whether revenue has been recognized as per contractual terms and as per Group accounting policies. • We selected a sample of revenue transactions with unbilled revenue at the year-end and traced these to underlying terms agreed with customers, proof of service delivery and internal control approvals. Also, we checked ageing of unbilled receivables and tested, on a sample basis, invoices raised subsequent to year end.

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill In earlier years, the Group acquired certain business which resulted in significant goodwill as at balance sheet amounting to Rs 2,316 million, representing 12% of total Group assets. In accordance with Ind AS 36 'Impairment of Assets', these balances are allocated to Cash Generating Units (CGUs) which are tested annually for impairment using discounted cash-flow models of each CGU's recoverable value compared to the carrying value of the assets. A deficit between the recoverable value and the CGU's net assets would result in impairment. The Group's disclosures are included in Note 2.3 (i) and Note 31 to the consolidated Ind AS financial statements, which outlines the accounting policy and give method and assumptions used for impairment testing. The inputs to the impairment testing model which have the most significant impact on CGU recoverable value include projected revenue growth, budgeted operating margins and operating cash-flows, pre-tax discount rates and terminal value. The annual impairment testing is considered a significant accounting judgement and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the consolidated Ind AS financial statements as a whole.	**Our audit procedures included the following:** • We performed test of controls over impairment evaluation process. • We assessed the Group's methodology applied in determining the CGUs to which goodwill is allocated. In making this assessment, we also evaluated the objectivity and independence of Company's external specialists involved in the process. • We assessed the assumptions around the key drivers of the cash flow forecasts including expected growth rates. We involved our valuation specialists to assist in evaluating assumptions of discount rates and terminal growth rates used in the valuation. • We also assessed the recoverable value headroom by performing sensitivity testing of key assumptions used. • We discussed potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • We tested the arithmetical accuracy of the models. • We assessed the disclosures made in the Consolidated Ind AS Financial Statements.

Key audit matter	How our audit addressed the key audit matter
Accounting for Acquisitions The Group has acquired the entire shareholding of Eclipse Global Holdings LLC (dba Personiv), USA on December 23, 2020 through investment in its overseas subsidiary eClerx LLC, USA, duly classified as business combination in accordance with the group accounting policies. The details of the assets and liabilities acquired along with their fair values, the resultant goodwill recognized, and the consideration paid for the acquisitions have been disclosed in note 2.3 (a) and note 42 to the consolidated financial statements. We considered the audit of this acquisition to be a key audit matter as this is a significant non routine transaction during the year and it requires significant management judgement regarding allocation of the purchase price to the assets and liabilities acquired including fair valuation and identification of intangible assets in acquisition.	**Our audit procedures included the following:** • We have, amongst others, read the Membership Interest Purchase Agreement ('MIPA'), and other related documents to obtain an understanding of the transactions and the key terms and conditions and evaluated the accounting treatment in accordance with Ind AS 103. • Read the valuation report for the purchase price allocation. We evaluated the qualifications and objectivity of the experts engaged by the Group to perform the purchase price allocation. • We have recalculated the model using the management inputs and assumptions for ascertaining mathematical accuracy. • We assessed management assumptions in respect of future sales growth rate and discount rate used in valuation. We involved our valuation specialists to assist in evaluating the key assumptions and methodologies used in the valuation. • We assessed the disclosures made in the Consolidated Ind AS Financial Statements.

We have determined that there are no other key audit matters to communicate in our report.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of ten subsidiaries whose Ind AS financial statements include total assets of Rs 3,964.65 million as at March 31, 2021, and total revenues of Rs 2,377.56 million and net cash outflow of Rs 58.98 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of such other auditors.

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

Report on Other Legal and Regulatory Requirements

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

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2021 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 with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure 1" to this report;

(g) In our opinion the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. Further, based on the consideration of reports of other statutory auditors of the two subsidiaries incorporated in India (acquired through acquisition of Eclipse Global Holdings LLC), the remuneration paid by these subsidiaries to their directors exceeds the limit prescribed under Section 197 of the Act and the rules thereunder. These subsidiaries are in the process of regularizing the excess remuneration paid to their directors by obtaining the necessary approval of their respective shareholders at the ensuing AGM of these subsidiaries;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph':

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 34(c) to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021; 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, 2021. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries incorporated in India during the year ended March 31, 2021.

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

per **Vineet Kedia**
Partner
Membership Number: 212230
UDIN: 21212230AAAABV3009

Place of Signature: Mumbai
Date: June 10, 2021

ANNEXURE 1

To the Independent Auditor's Report of even date on the consolidated 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")

In conjunction with our audit of the consolidated financial statements of eClerx Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies (the Holding Company and its subsidiaries together referred to as the "Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated 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, both issued by 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 with reference to these consolidated 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of Internal Financial Controls with Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control with reference to these consolidated 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 with reference to these consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to these consolidated 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these two subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

per **Vineet Kedia**
Partner
Membership Number: 212230
UDIN: 21212230AAAABV3009

Place of Signature: Mumbai
Date: June 10, 2021

CONSOLIDATED BALANCE SHEET

(Rupees in Million)

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	3	845.88	778.26
Right of use assets	34.a.	1,327.47	1,281.47
Capital work in progress	3	4.83	7.99
Goodwill on consolidation	4	3,726.25	2,272.10
Other intangible assets	4	1,380.74	465.61
Financial assets			
Investments	6	2.40	2.40
Derivative instruments	7	25.53	-
Other financial assets	10	255.29	125.14
Deferred tax assets (net)	21	339.73	384.25
Other non-current assets	11	35.39	191.88
Non-current tax assets (net)		104.66	103.41
		8,048.17	**5,612.51**
Current assets			
Inventories	5	3.19	3.04
Financial assets			
Investments	6	2,283.80	4,365.52
Trade receivables	8	2,930.22	2,377.84
Cash and cash equivalents	9.a.	3,490.20	1,745.61
Other bank balances	9.b.	1,418.42	1,599.38
Other financial assets	10	989.26	1,124.19
Derivative instruments	7	239.03	-
Other current assets	12	679.15	531.46
Current tax assets (net)		-	-
		12,033.27	**11,747.04**
Total assets		**20,081.44**	**17,359.55**
Equity and liabilities			
Equity			
Equity share capital	13	340.06	361.00
Other equity	14	14,668.13	12,701.14
Total equity attributable to shareholders of the Company		**15,008.19**	**13,062.14**
Non-controlling interests		8.95	6.12
Total equity		**15,017.14**	**13,068.26**

Non-current liabilities			
Financial Liabilities			
Lease liabilities	34.a.	1,437.70	1,316.50
Derivative instruments	7	-	96.63
Borrowings	17	1.71	3.15
Other financial liabilities	16	29.02	-
Deferred tax liabilities (net)	21	175.89	129.35
Employee benefit obligations	15	562.08	443.08
		2,206.40	**1,988.71**
Current liabilities			
Financial liabilities			
Lease liabilities	34.a.	304.65	240.84
Derivative instruments	7	-	244.38
Borrowings	17	3.22	5.53
Trade payables			
Total outstanding dues of Micro enterprises and small enterprises	18.a.	9.81	3.16
Total outstanding dues of creditors other than Micro enterprises and small enterprises	18.b.	219.51	135.48
Other financial liabilities	19	851.83	444.19
Other current liabilities	20	189.21	153.14
Employee benefit obligations	15	1,041.25	879.27
Current tax liabilities (net)		238.42	196.59
		2,857.90	**2,302.58**
Total equity and liabilities		**20,081.44**	**17,359.55**

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

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rupees in Million)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	22	15,644.91	14,375.71
Other income	23	344.54	467.05
Total Income		**15,989.45**	**14,842.76**
Expenses			
Employee benefits expense	24	8,853.10	8,542.62
Cost of technical sub-contractors		531.02	554.44
Depreciation and amortisation expense	25	815.93	708.95
Finance costs	26	202.77	188.10
Other expense	27	1,780.45	2,043.46
Total expense		**12,183.27**	**12,037.57**
Profit before exceptional items and taxes		**3,806.18**	**2,805.19**
Exceptional item - gain / (loss)		-	-
Profit before taxes		**3,806.18**	**2,805.19**
Tax expenses			
Current tax	21		
Pertaining to current year		1,023.57	727.11
Adjustments in respect of current income tax of previous year		7.78	(3.91)
Deferred tax	21	(53.38)	(7.73)
Income tax expense		**977.97**	**715.47**
Profit for the year		**2,828.21**	**2,089.72**
Attributable to:			
Shareholders of the Company		2,825.61	2,089.83
Non- controlling interest		2.60	(0.11)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurement (losses) / gains on defined benefit plans	28	(26.30)	(17.48)
Income tax effect	21	6.40	4.11
Net other comprehensive income not to be reclassified to profit and loss in subsequent periods		**(19.90)**	**(13.37)**

Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	28	605.57	(548.35)
Deferred tax on net movement on cash flow hedges	28	(152.41)	143.43
Exchange differences on translation of foreign operations	28	48.06	237.42
Net other comprehensive income to be reclassified to profit and loss in subsequent periods		**501.22**	**(167.50)**
Other comprehensive income for the year, net of tax		**481.32**	**(180.87)**
Total comprehensive income for the year, net of tax		**3,309.53**	**1,908.85**
Attributable to:			
Shareholders of the Company		3,306.93	1,908.96
Non- controlling interest		2.60	(0.11)
Earnings per equity share			
Basic (Face value of Rs. 10 each)	29	81.61	57.26
Diluted (Face value of Rs. 10 each)	29	81.29	57.25
Summary of significant accounting policies	2		

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

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

(Rupees in Million)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Operating activities			
Profit before tax		3,806.18	2,805.19
Adjustments to reconcile profit before tax to net cash flows by operating activities :			
Depreciation of property, plant and equipment	25	716.49	621.55
Amortisation and impairment of intangible assets	25	99.44	87.40
Share-based payment expense	24	21.32	9.28
Net foreign exchange differences		(4.42)	36.27
Loss on sale of assets	23 & 27	3.56	12.93
Interest income on corporate rent deposits	23	(16.52)	(11.44)
Amortised cost on corporate rent deposits		16.74	11.84
(Profit) on sale of current investments	23	(224.51)	(13.32)
Dividend income	23	(0.06)	(66.66)
Interest income, net	23	(85.02)	(132.16)
Other adjustments	28	(31.79)	(17.48)
Bad debts written off	27	1.73	11.70
Finance cost	26	202.77	188.10
Provision for doubtful debts	27	1.04	9.12
Fair value loss / (gain) on financial instruments at fair value through profit and loss	23 & 27	70.23	(121.20)
		4,577.18	**3,431.12**
Working capital adjustments:			
Increase in employee benefit obligations		190.01	213.33
(Increase) / Decrease in trade receivables		(303.37)	98.36
(Increase) / Decrease in inventories		(0.15)	0.56
Decrease in other current and non current financial assets		87.74	26.45
Decrease in other current and non current assets		32.68	150.60
Increase / (decrease) in trade payables, other current and non current liabilities and provisions		65.92	(2.29)
Cash generated by operating activities		**4,650.01**	**3,918.13**
Payment of domestic and foreign taxes (net of refunds)		(1,004.32)	(590.17)
Net cash flows generated from operating activities		**3,645.69**	**3,327.96**
Investing activities			
Proceeds from sale of current investments		11,425.77	10,589.94
Purchase of current investments		(9,189.78)	(11,960.70)
Investment in bank deposits (having original maturity of more than three months)		(2,938.02)	(1,781.87)

Redemption/maturity of bank deposits (having original maturity of more than three months)		3,075.46	3,390.46
Payment of unclaimed dividend and fractional share		(0.16)	(0.16)
Proceeds from sale of property, plant and equipment		0.96	7.68
Purchase of property, plant and equipment and intangibles (including capital work in progress)		(388.21)	(343.16)
Payment towards acquisition of business, net of cash acquired		(2,160.71)	-
Dividend received		0.06	66.66
Interest received		129.38	214.07
Net cash flows generated from / (used in) investing activities		**(45.25)**	**182.92**
Financing activities			
Proceeds from issue of equity share capital		-	6.32
Buyback of equity shares		(1,095.00)	(2,563.75)
Buyback expenses		(9.47)	(24.52)
Tax on Buyback		(243.00)	-
Payment of dividend		(34.01)	(36.10)
Dividend distribution tax		-	(7.60)
Bank loan (repaid) / taken		(8.16)	(8.07)
Interest paid		(199.92)	(188.10)
Principal payment - Lease		(293.51)	(260.53)
Net cash flows used in financing activities		**(1,883.07)**	**(3,082.35)**
Effect of exchange fluctuation on cash and cash equivalents		27.22	60.84
Net increase / (decrease) in cash and cash equivalents		**1,744.59**	**489.37**
Cash and cash equivalents at the beginning of the year	9(a)	1,745.61	1,256.24
Cash and cash equivalents at the end of the year	**9(a)**	**3,490.20**	**1,745.61**
Summary of significant accounting policies	2		

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

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

(Rupees in million)

	No. of shares	Share capital
Equity shares of Rs.10 each issued, subscribed and fully paid		
As at April 1, 2019	**37,790,235**	**377.90**
Add: Shares allotted during the year on account of exercise of share options by employees (ESOP)	18,972	0.19
Less : Shares bought back during the year	(1,746,666)	(17.47)
Add: Buy back of shares held by eClerx Employee Welfare Trust	37,255	0.38
As at March 31, 2020	**36,099,796**	**361.00**
Less : Shares bought back during the year (refer note 13)	(2,093,815)	(20.94)
As at March 31, 2021	**34,005,981**	**340.06**

b. Other equity

(Rupees in million)

		Reserves and Surplus							Items of OCI					
Particulars	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	Statutory reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non controlling interest	Total
As at April 1, 2020	**-**	**42.45**	**13.83**	**185.16**	**4.83**	**-**	**0.11**	**12,878.67**	**900.80**	**(255.20)**	**(1,069.51)**	**12,701.14**	**6.12**	**12,707.26**
Profit for the period	-	-	-	-	-	-	-	2,825.61	-	-	-	2,825.61	2.60	2,828.21
Other comprehensive income (refer note 28)	-	-	-	-	-	-	-	(19.90)	48.06	453.16	-	481.32	-	481.32
Dividend paid (refer note 14)	-	-	-	-	-	-	-	(34.01)	-	-	-	(34.01)	-	(34.01)
Share based payment charge / (credit) net off stock options forfeited during the year (refer note 14)	-	-	-	21.32	-	-	-	-	-	-	-	21.32	-	21.32

Transfer on account of stock options not exercised (refer note 14)	-	-	-	(61.05)	-	-	-	61.05	-	-	-	-	-	-
Deferred tax on account of stock options not exercised	-	-	-	-	-	-	-	(4.11)	-	-	-	(4.11)	-	(4.11)
Statutory reserve as per local law in overseas subsidiary (refer note 14)	-	-	-	-	0.17	-	-	-	-	-	-	0.17	-	0.17
Amount transfer on account of buyback of shares	-	20.94	-	-	-	-	-	(20.94)	-	-	-	-	-	-
Amount utilised on account of buy back of shares (refer note 14)	-	-	(13.83)	-	-	-	-		-	-	-	(13.83)	-	(13.83)
Buyback expenses (refer note 14)	-	-	-	-	-	-	-	(9.47)	-	-	-	(9.47)	-	(9.47)
Premium on buy back of shares	-	-	-	-	-	-	-	(1,060.24)	-	-	-	(1,060.24)	-	(1,060.24)
Tax on Buyback (refer note 14)	-	-	-	-	-	-	-	(243.00)	-	-	-	(243.00)	-	(243.00)
Reversal of tax on net operating loss utilized	-	-	-	-	-	-	-	3.23	-	-	-	3.23	-	3.23
Foreign currency translation movement during the year (refer note 14)	-	-	-	-	-	-	-	-	-	-	-	-	0.23	0.23
As at March 31, 2021	**-**	**63.39**	**-**	**145.43**	**5.00**	**-**	**0.11**	**14,376.89**	**948.86**	**197.96**	**(1,069.51)**	**14,668.13**	**8.95**	**14,677.08**

(Rupees in million)

		Reserves and Surplus							Items of OCI					
Particulars	Share Application money pending allotment	Capital redemption reserve	Securities premium account	Share based payment reserve	Statutory reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non controlling interest	Total
As at April 1, 2019	4.41	24.98	181.00	207.16	1.07	0.71	0.11	13,323.44	663.38	149.72	(1,120.90)	13,435.08	5.85	13,440.93
Impact on account of adoption of IND AS 116 (refer note 2.3(h))	-	-	-	-	-	-	-	(54.84)	-	-	-	(54.84)	-	(54.84)
Impact on account of Appendix C to Ind AS 12 (refer note 2.3(e))	-	-	-	-	-	-	-	(16.46)	-	-	-	(16.46)	-	(16.46)
	4.41	24.98	181.00	207.16	1.07	0.71	0.11	13,252.14	663.38	149.72	(1,120.90)	13,363.78	5.85	13,369.63
Profit for the period	-	-	-	-	-	-	-	2,089.83	-	-	-	2,089.83	(0.11)	2,089.72

(Rupees in million)

Particulars	Share Application money pending allotment	Reserves and Surplus: Capital redemption reserve	Reserves and Surplus: Securities premium account	Reserves and Surplus: Share based payment reserve	Reserves and Surplus: Statutory reserve	Reserves and Surplus: SEZ Re–investment Reserve Account	Reserves and Surplus: Capital reserve	Reserves and Surplus: Retained earnings	Items of OCI: Foreign exchange translation	Items of OCI: Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non controlling interest	Total
Other comprehensive income (refer note 28)	-	-	-	-	-	-	-	(13.37)	237.42	(404.92)	-	(180.87)	-	(180.87)
Dividend and dividend tax paid (refer note 14)	-	-	-	-	-	-	-	(43.71)	-	-	-	(43.71)	-	(43.71)
Share based payment charge / (credit) net off stock options forfeited during the year (refer note 14)	-	-	-	9.28	-	-	-	-	-	-	-	9.28	-	9.28
Transfer on account of stock options not exercised (refer note 14)	-	-	-	(27.98)		-	-	27.98	-	-	-	-	-	-
Premium on issue of shares allotted pursuant to exercise of stock options (refer note 14)	-	-	10.52	-	-	-	-	-	-	-	-	10.52	-	10.52
Transfer to securities premium on account of exercise of stock options (refer note 14)	-	-	3.30	(3.30)	-	-	-	-	-	-	-	-	-	-
Statutory reserve as per local law in overseas subsidiary (refer note 14)	-	-	-	-	3.76	-	-	-	-	-	-	3.76	-	3.76
Shares application money received during the year (refer note 14)	6.32	-	-	-	-	-	-	-	-	-	-	6.32	-	6.32
Shares allotted during the year (refer note 14)	(10.73)	-	-	-	-	-	-	-	-	-	-	(10.73)	-	(10.73)
Amount transfer to on account of buyback of shares (refer note 14)	-	17.47	-	-	-	-	-	(17.47)	-	-	-	-	-	-
Amount utilised on account of buy back of shares (refer note 14)	-		(180.99)	-	-	-	-	(2,421.54)	-	-	-	(2,602.53)	-	(2,602.53)
Buyback expenses (refer note 14)	-	-	-	-	-	-	-	(24.51)	-	-	-	(24.51)	-	(24.51)

(Rupees in million)

Particulars	Share Application money pending allotment	Reserves and Surplus							Items of OCI					
		Capital redemption reserve	Securities premium account	Share based payment reserve	Statutory reserve	SEZ Re-investment Reserve Account	Capital reserve	Retained earnings	Foreign exchange translation	Cashflow Hedging reserve	Treasury shares	Total equity Attributable to the equity holders of the Company	Non controlling interest	Total
Tax credit on exercise of options (refer note 14)	-	-	-	-	-	-	-	14.61	-	-	-	14.61	-	14.61
Foreign currency translation movement during the year (refer note 14)	-	-	-	-	-	-	-	-	-	-	-	-	0.38	0.38
Gain on treasury shares on buyback (refer note 14)	-	-	-	-	-	-	-	3.84	-	-	-	3.84		3.84
Other adjustments in oversea subsidiaries (refer note 14)	-	-	-	-	-	-	-	10.16	-	-	-	10.16		10.16
Amount transferred from SEZ Re-investment Reserve account (refer note 14)	-	-	-	-	-	(0.71)	-	0.71	-	-	-	-	-	-
Buy back of shares held by eClerx Employee Welfare Trust (refer note 14)	-	-	-	-	-	-	-	-	-	-	51.39	51.39	-	51.39
As at March 31, 2020	-	42.45	13.83	185.16	4.83	-	0.11	12,878.67	900.80	(255.20)	(1,069.51)	12,701.14	6.12	12,707.26

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

per **Vineet Kedia**
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

eClerx Services Limited (the “”Company”” or the “”Holding Company””) and its subsidiaries (collectively referred to as the “Group”) are engaged in providing critical business operations services to global Fortune 500 clients, including several of the world’s leading companies across financial services, cable and telecommunications, retail, fashion, media & entertainment, manufacturing, travel and leisure, software and high-tech. The Group provides innovative business process management, change management, data-driven insights, advanced analytics powered by subject matter experts and smart automation. The Company is domiciled in India and has its registered office at Mumbai, Maharashtra, India. Information on the Group’s structure is provided in note 30.

The consolidated financial statements for the year ended March 31, 2021 were authorised for issue in accordance with a resolution of the board of directors on June 10, 2021.

2A. Significant accounting policies

2.1 Basis of preparation

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

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

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

The consolidated financial statements are presented in “Rs.” and all values are stated in Rs. million, except when otherwise indicated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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, 2021.

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 have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non- controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

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

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

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

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

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

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

b. Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees ("Rs."), which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency balances:

Transactions in foreign currencies are initially recorded by the group's entities at their respective functional currency using spot rates at the date of the transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

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

Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Group companies:

On consolidation, the assets and liabilities of foreign operations are translated into Rs. at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the date of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the date of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

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

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

c. Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

d. Revenue recognition

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

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

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

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

The Group presents revenue net of indirect taxes in its consolidated statement of profit and loss.

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

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

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

Interest Income

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

Dividends

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

Government Grants

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

e. Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also, refer to Notes 34.c and 43

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.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The Appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

i) Whether an entity considers uncertain tax treatments separately

ii) The assumptions an entity makes about the examination of tax treatments by taxation authorities

iii) How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

iv) How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from April 1, 2019. The Group has evaluated the effect of the Appendix C to Ind AS 12 on the financial statements and an amount of Rs.16.46 million was debited to retained earnings on April 01 2019. There is no significant impact of the Appendix on the statement of profit and loss for the years ended March 31, 2021 and March 31, 2020.

f. Property, plant and equipment

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

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

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

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

The Group provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down Value method other than assets of CLX Group which follows Straight - Line method. The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

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

The Group provides depreciation based on same useful life of assets for all subsidiaries other than following assets in CLX group :

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

No depreciation is provided on freehold land.

In case of foreign subsidiaries, certain items of property, plant and equipment are depreciated over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 ("the Act"). The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Intangible assets

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

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

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

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

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

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

Intangible assets	Estimated useful life (in years)
Computer softwares	1-5
Unpatented technology	7
Non-competition agreements	3
Customer relationships	9-15
Indemnification assets	3

Research and development expenses for software product

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

h. Leases

The Group as lessee: 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 Group recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Group is a lessee, except for a short term lease of 12 months or less and leases of lowvalue assets. For short term lease and low-value asset arrangements, the Group recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Group will exercise these options.

The right-of-use asset are recognised at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognised in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Transition

The Group had adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method. Cumulative effect of initially applying the standard had been recognised on the date of initial application and hence the Group had not restated comparative information. The Group had recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of initial application.

The Group had selected practical expedient for the following:

a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Group recognizes the lease payments associated with such leases as an expense over the lease term.

b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.

c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

Accordingly, the Group had recognised right-of-use asset of Rs.1,223.06 million and a lease liability of Rs.1,452.54 million in the financial statements on the date of initial application. The cumulative effect of applying the standard, amounting to Rs.54.84 million was debited to the opening retained earnings, net of taxes. Due to adoption of Ind AS 116, the nature of expenses changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. The effect of this standard is not significant on the profit for the year of the Group. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities.

i. Impairment of non-financial assets

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

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

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

Goodwill is tested for impairment annually at the end of each financial year and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods (refer note 31) .

j. Provisions and contingences

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

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

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

k. Retirement and other employee benefits

Provident Fund

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

Defined benefit plan

Gratuity for employees in India

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. In case of it's subsidiaries AG Resources (India) Private Ltd. and Personiv Contact Centers India Private Ltd., the defined benefit gratuity plan is operated by the respective subsidiaries. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, with actuarial valuations being carried out at periodic intervals.

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

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

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

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

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

The Code on Social Security, 2020 relating to employee benefits during the employment and post- employment benefits received President's assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess and record the impact of the Code, if any, when it becomes effective.

Subsidiary in United States of America

One of 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

One of the subsidiary of the Group, "eClerx Private Limited" contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore in respect of eligible employees. Contributions are charged to the consolidated statement of profit and loss when employees render the related services.

Subsidiary in Italy

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

Compensated Absences

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

l. Share - based payments

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

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statment of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

m. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

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

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

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

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

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

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

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

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

FVTPL is a residual category for financial assets. Any instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the group may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Derecognition

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

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

the asset.

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

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

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

n. Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

Cash flow hedges

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

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

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

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

o. Treasury shares

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

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity.

p. Cash and cash equivalents

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

q. Cash dividend to equity holders of the Company

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

r. Inventories

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

s. Earnings per share

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

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. Leases

The Group has entered into commercial property leases for its offices. Further, the Group has also adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method.

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term and the applicable discount rate. The Group has lease contracts which include extension and termination option and this requires exercise of judgement by the Group in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

c. 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.

d. 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.

e. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See notes 38 and 39 for further disclosures.

f. 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 three to five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in note 31.

g. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires significant management judgement regarding allocation of the purchase price to the assets and liabilities acquired including fair valuation and identification of intangible assets in acquisition. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management (refer to Note 42).

2.C Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenue, goodwill, intangible assets, other financial assets, revenues and costs, leases and its hedging program. In assessing the recoverability of its assets, the Group has used internal and external sources of information up to the date of approval of these consolidated financial results and expects to recover the net carrying amount of its assets. The Group also expects the demand for services to remain volatile for some more time. However, the actual impact of COVID-19 on the Group's financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

3. Property, plant and equipment

(Rupees in Million)

Particulars	Computer Hardware	Leasehold improvements	Furniture & fixtures	Office equipments	Land	Building	Plant and Machinery	Vehicles	Total
Cost									
As at April 1, 2019	**822.48**	**551.87**	**151.62**	**552.32**	**20.53**	**18.70**	**6.54**	**3.48**	**2,127.54**
Additions	147.61	38.11	33.66	52.67	-	0.45	1.44	0.11	274.05
Disposals	(17.81)	(138.82)	(45.48)	(98.63)	-	-	-	-	(300.74)
Translation exchange difference	29.15	3.19	2.22	7.31	1.23	1.21	0.45	0.24	45.00
As at March 31, 2020	**981.43**	**454.35**	**142.02**	**513.67**	**21.76**	**20.36**	**8.43**	**3.83**	**2,145.85**
Additions on account of acquisition of business (refer note 42)	59.49	26.21	16.50	-	-	-	-	10.98	113.18
Additions	280.83	12.26	2.78	27.00	-	10.67	4.12	3.05	340.71
Disposals	(17.61)	(7.24)	(8.96)	(21.41)	-	-	-	-	(55.22)
Translation exchange difference	3.72	2.57	(0.36)	(1.37)	0.29	0.40	0.27	0.04	5.56
As at March 31, 2021	**1,307.86**	**488.15**	**151.98**	**517.89**	**22.05**	**31.43**	**12.82**	**17.90**	**2,550.08**
Depreciation and impairment									
As at April 1, 2019	**559.75**	**247.27**	**73.27**	**409.44**	**-**	**3.83**	**3.90**	**1.45**	**1,298.91**
Depreciation charge for the year	146.36	61.53	25.09	80.45	-	1.18	0.83	0.78	316.22
Disposals	(17.76)	(134.29)	(34.81)	(93.27)	-	-	-	-	(280.13)
Translation exchange difference	22.28	2.37	1.31	5.85	-	0.33	0.31	0.14	32.59
As at March 31, 2020	**710.63**	**176.88**	**64.86**	**402.47**	**-**	**5.34**	**5.04**	**2.37**	**1,367.59**
Depreciation charge for the year	255.81	46.36	19.88	58.16	-	1.42	1.02	2.51	385.16
Disposals	(17.58)	(6.39)	(6.49)	(20.25)	-	-	-	-	(50.71)
Translation exchange difference	2.35	1.19	(0.05)	(1.16)	-	0.17	0.16	(0.50)	2.16
As at March 31, 2021	**951.21**	**218.04**	**78.20**	**439.22**	**-**	**6.93**	**6.22**	**4.38**	**1,704.20**
Net Book Value									
As at March 31, 2021	**356.65**	**270.11**	**73.78**	**78.67**	**22.05**	**24.50**	**6.60**	**13.52**	**845.88**
As at March 31, 2020	**270.80**	**277.47**	**77.16**	**111.20**	**21.76**	**15.02**	**3.39**	**1.46**	**778.26**

Capital Work in Progress

(Rupees in Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold improvements	4.83	7.99
	4.83	**7.99**

4. Intangible assets

(Rupees in Million)

	Goodwill on consolidation	OTHER INTANGIBLE ASSETS						
		Computer software	Unpatented technology	Non-competition agreements	Indemnification asset	Customer relationship	Website	Total
Cost								
As at April 1, 2019	**2,182.27**	**211.54**	**148.46**	**46.42**	**18.35**	**593.20**	**-**	**3,200.24**
Additions	-	30.58	26.60	-	-	-	-	57.18
Translation exchange difference	89.83	3.81	10.21	3.19	1.26	41.27	-	149.57
As at March 31, 2020	**2,272.10**	**245.93**	**185.27**	**49.61**	**19.61**	**634.47**	**-**	**3,406.99**
Additions on account of acquisition of business (refer note 42)	1,422.94	13.44	-	24.36	-	928.69	0.55	2,389.98
Additions	-	26.37	16.26	-	-	-	-	42.63
Disposals	-	-	-	-	-	-	-	-
Translation exchange difference	31.21	(1.61)	6.33	1.48	0.67	11.53	-	49.61
As at March 31, 2021	**3,726.25**	**284.13**	**207.86**	**75.45**	**20.28**	**1,574.69**	**0.55**	**5,889.21**
Amortisation and impairment								
As at April 1, 2019	**-**	**195.04**	**136.39**	**46.42**	**18.35**	**153.53**	**-**	**549.73**
Amortisation charge for the year	-	16.71	29.41	-	-	41.28	-	87.40
Translation exchange difference	-	3.84	10.96	3.19	1.26	12.90	-	32.15
As at March 31, 2020	**-**	**215.59**	**176.76**	**49.61**	**19.61**	**207.71**	**-**	**669.28**
Amortisation charge for the year	-	22.92	4.14	2.18	-	70.15	0.05	99.44
Disposals	-	-	-	-	-	-	-	-
Translation exchange difference	-	(1.47)	6.28	1.70	0.67	6.32	-	13.50
As at March 31, 2021	**-**	**237.04**	**187.18**	**53.49**	**20.28**	**284.18**	**0.05**	**782.22**
Net Book Value								
As at March 31, 2021	**3,726.25**	**47.09**	**20.68**	**21.96**	**-**	**1,290.51**	**0.50**	**5,106.99**
As at March 31, 2020	**2,272.10**	**30.34**	**8.51**	**-**	**-**	**426.76**	**-**	**2,737.71**

(Rupees in Million)

PARTICULARS	As at March 31, 2021	As at March 31, 2020
Goodwill	3,726.25	2,272.10
Other intangible assets	1,380.74	465.61
	5,106.99	**2,737.71**

5. Inventories

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Raw materials	3.19	3.04
	3.19	**3.04**

Financial assets

6. Investments

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Non current investments (Unquoted, carried at fair value through profit and loss)		
8,000 equity shares (March 31, 2020: 8,000 equity shares) of Re. 1 each fully paid up in Talentick Edusolutions Private Limited (refer note 29.a.)	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 (refer note 29.b.)	2,283.80	4,365.52
	2,283.80	**4,365.52**
Aggregate value of unquoted investments	2.40	2.40
Aggregate book value of quoted investments	2,283.80	4,365.52
Aggregate market value of quoted investments	**2,283.80**	**4,365.52**

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

7. Derivative instruments

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	**264.56**	**-**
Total derivative instruments at fair value through OCI	**264.56**	**-**
Current	239.03	-
Non-current	25.53	-
	264.56	**-**
Financial liabilities		
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	341.01
Total derivative instruments at fair value through OCI	**-**	**341.01**
Current	-	244.38
Non-current	-	96.63
	-	**341.01**

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

8. Trade receivables

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Trade receivables	2,930.22	2,377.84
	2,930.22	**2,377.84**
Considered good - Secured	-	-
Considered good - Unsecured	2,930.22	2,377.84
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	14.37	13.33
	2,944.59	2,391.17
Less: Loss allowance	(14.37)	(13.33)
	2,930.22	**2,377.84**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

9.a. Cash and cash equivalents

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.58	0.71
Balances with banks		
In current accounts	3,482.54	1,744.15
Deposits with original maturity of less than three months	6.49	-
Earmarked bank balance towards dividend	0.58	0.74
Earmarked bank balance towards fractional share payout	0.01	0.01
	3,490.20	**1,745.61**

9.b. Other bank balances

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity of more than three months but less than twelve months	789.68	131.76
Deposit with original maturity of more than twelve months	0.24	1,408.00
Deposits pledged with banks against bank guarantees	321.08	0.30
Interest receivable	8.17	52.53
Earmarked bank balances with bank	299.25	6.79
	1,418.42	**1,599.38**
	4,908.62	**3,344.99**

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 181 days to 2192 days, depending on the immediate cash requirements of the Group. The time deposits earn interest at the respective deposit rates.

10. Other financial assets

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Corporate premises rent deposits	231.48	103.08
Other deposits	17.16	14.57
Deposit with original maturity of more than twelve months	6.00	0.61
Deposits pledged with banks against bank guarantees	0.35	6.58
Staff accomodation rent deposits	0.30	0.30
	255.29	**125.14**

Time deposits are placed for varying periods ranging from 1,461 days to 1,828 days, depending on the immediate cash requirements of the Group. The time deposits earn interest at the respective deposit rates.

Current		
Unbilled receivables	874.27	1,063.27
Staff accommodation rent deposits	-	0.73
Recoverable expenses from client	11.89	5.25
Other advances	102.84	54.74
Other deposits	0.26	0.20
	989.26	**1,124.19**
	1,244.55	**1,249.33**
Break up of financial assets carried at amortised cost		
Trade receivables (refer note 8)	2,930.22	2,377.84
Cash and cash equivalents and other bank balances (refer note 9.a. and note 9.b.)	4,908.62	3,344.99
Other financial assets (refer note 10)	1,244.55	1,249.33
Total financial assets carried at amortised cost	**9,083.39**	**6,972.16**

11. Other non-current assets

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Prepaid expense	30.48	42.82
Capital advances	1.46	2.63
Goods & Service Tax ("GST") credits	3.45	142.28
Service tax and other tax credits	-	4.15
	35.39	**191.88**

12. Other current assets

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Prepaid expense	189.01	173.03
GST, Service tax and other tax credits	261.20	132.62
Service Exports from India Scheme Licence ("SEIS") receivables	217.00	217.00
Other advances	11.94	8.81
	679.15	**531.46**

13. Share capital

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
50,010,000 (March 31, 2020: 50,010,000) shares of Rs. 10 each	500.10	500.10
Issued, subscribed and fully paid up		
34,005,981 (March 31, 2020: 36,099,796) shares of Rs. 10 each fully paid up	340.06	361.00

Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per equity share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

The Company has issued 10,180,609 shares by way of bonus issue by capitalising securities premium during the period of five years immediately preceding the balance sheet date.

Aggregate number of equity shares bought back during the period of five years immediately preceding the reporting date:

The Board of Directors vide their meeting dated July 06, 2020 approved buyback of equity shares of the Company for an aggregate amount not exceeding Rs. 1,095 million at a buyback price not exceeding Rs. 550 per equity share from the shareholders/beneficial owners of the company (other than those who are Promoters, members of Promoter Group and persons in control of the Company). The Company bought back 2,093,815 equity shares of Rs 10 each at an average price of Rs. 522.97 per share amounting to Rs. 1,095 million and concluded the said buyback on July 22, 2020. The shares so bought back were extinguished and the issued and paid up capital stands amended accordingly. Further, the Company has incurred buy back expenses of Rs. 9.47 million and buy back tax of Rs. 243 million which have been charged to retained earnings. During the period of 5 years immediately preceding the balance sheet date the Company bought back 1,746,666 shares in FY 2019-20 and 1,290,000 shares in FY 2017-18 and 1,170,000 shares in FY 2016-17.

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

(Rupees in Million)

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% Holding	Number of shares	% Holding
Anjan Malik	9,365,204	26.84%	9,365,204	25.32%
Priyadarshan Mundhra	9,369,043	26.85%	9,369,043	25.33%
HDFC Trustee Company Limited - HDFC Children's Gift Fund - Investment Plan	2,237,987	6.41%	-	-
HDFC Trustee Company Limited - HDFC Tax Saver Fund	-	-	2,463,844	6.66%

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.

14. Other equity

(Rupees in Million)

Securities premium account	
As at April 1, 2019	**181.00**
Add: Transferred from share based payment reserve on exercise of options	3.30
Add: Premium on issue of share alloted pursuant to exercise of options	10.52
Less: Amount utilised on account of buyback of shares	(180.99)
As at March 31, 2020	**13.83**
Less: Amount utilised on account of buyback of shares	(13.83)
As at March 31, 2021	**0.00**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, buy back of equity shares, etc. in accordance with the provisions of the Companies Act, 2013.

Share based payment reserve	
As at April 1, 2019	**207.16**
Add: Share based payment charge / (credit) net off stock options forfeited during the year	9.28
Less: Transfer to retained earnings on account of stock options not exercised	(27.98)
Less: Transfer to securities premium on exercise of stock options	(3.30)
As at March 31, 2020	**185.16**
Add: Share based payment charge / (credit) net off stock options forfeited during the year	21.32
Less: Transfer to retained earnings on account of stock options not exercised	(61.05)
As at March 31, 2021	**145.43**

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Hedging reserve	
As at April 1, 2019	**149.72**
Less: Net movement on cash flow hedges	(548.35)
Add: Deferred tax on net movement on cash flow hedges	143.43
As at March 31, 2020	**(255.20)**
Add: Net movement on cash flow hedges	605.57
Less: Deferred tax on net movement on cash flow hedges	(152.41)
As at March 31, 2021	**197.96**

The Group uses hedging instruments as part of its management of foreign currency risk. For hedging foreign currency, the Group uses foreign currency forward contracts. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the hedging reserve. Amounts recognised in the hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss.

Capital reserve	
As at April 1, 2019	**0.11**
As at March 31, 2020	**0.11**
As at March 31, 2021	**0.11**

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

Capital redemption reserve	
As at April 1, 2019	**24.98**
Add: Amount transferred from retained earnings on account of buy back of shares	17.47
As at March 31, 2020	**42.45**
Add: Amount transferred from retained earnings on account of buy back of shares	20.94
As at March 31, 2021	**63.39**

As per Companies Act, 2013, capital redemption reserve is created when Group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

SEZ Re-investment Reserve Account	
As at April 1, 2019	**0.71**
Less: Amount unutilised transferred to retained earnings during the year	(0.71)
As at April 1, 2020	**-**
Less: Amount unutilised transferred to retained earnings during the year	-
As at March 31, 2021	**-**

The Special Economic Zone (SEZ) re-investment reserve was created out of the profit of eligible SEZ units in terms of the provisions of section 10AA(1)(ii) of the Income-tax Act, 1961. The reserve was required to be utilised by the Group for acquiring new assets for the purpose of its business as per the terms of section 10AA(2) of Income-tax Act, 1961.

During the previous year ended March 31, 2020, the Group has accounted tax expense as per the rates prescribed under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly Section 10AA of Income-tax Act, 1961 is not applicable and balance amount of SEZ Re-investment Reserve Account is transferred to retained earnings.

(Rupees in Million)

Statutory reserve	
As at April 1, 2019	**1.07**
Add: Movement during the year	3.76
As at March 31, 2020 "	**4.83**
Add: Movement during the year	0.17
As at March 31, 2021 "	**5.00**

Reserves created by the Group to meet the requirements of the statutes in overseas subsidiary.

Foreign currency translation reserve	
As at April 1, 2019	**663.38**
Add: Movement during the year	237.42
As at March 31, 2020	**900.80**
Add: Movement during the year	48.06
As at March 31, 2021	**948.86**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Retained earnings	
As at April 1, 2019	**13,323.44**
Less: Impact on account of adoption of IND AS 116 (Refer note 2.3(h))	(54.84)
Less: Impact on account of Appendix C to Ind AS 12 (Refer note 2.3(e))	(16.46)
Add: Profit during the year	2,089.83
Less: Remeasurement losses on defined benefit plans	(13.37)
Less: Buyback Expenses	(24.51)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(17.47)
Less: Amount utilised on account of buy back of shares	(2,421.54)
Add: Gain on treasury shares on buyback	3.84
Add: Amount transferred from SEZ Re-investment Reserve account	0.71
Less: Dividend and dividend tax paid	(43.71)
Add: Transfer on account of stock options not exercised	27.98
Add: Other adjustments in overseas subsidiaries	10.16
Add: Tax credit on exercise of stock options	14.61
As at March 31, 2020	**12,878.67**
Add: Profit during the year	2,825.61
Less: Remeasurement losses on defined benefit plans	(19.90)

Less: Buyback Expenses	(9.47)
Less: Amount transferred to capital redemption reserve on account of buyback of shares	(20.94)
Less: Dividend paid	(34.01)
Add: Transfer on account of stock options not exercised	61.05
Less: Tax on Buyback	(243.00)
Add: Reversal of tax on net operating loss utilized	3.23
Less: Premium on Buyback of shares	(1,060.24)
Less: Deferred tax on account of stock options not exercised	(4.11)
As at March 31, 2021	**14,376.89**

Retained earnings represent the amount of accumulated earnings of the Group.

(Rupees in Million)

Other reserves	As at March 31, 2021	As at March 31, 2020
Securities premium	-	13.83
Share based payment reserves	145.43	185.16
Hedging reserve	197.96	(255.20)
Capital reserve	0.11	0.11
Capital redemption reserve	63.39	42.45
Statutory reserve	5.00	4.83
Foreign currency translation reserve	948.86	900.80
Sez Reinvestment Reserve	-	-
Retained earnings	14,376.89	12,878.67
	15,737.64	**13,770.65**

Treasury Shares	
As at March 31, 2019	(1,120.90)
Add: Buy back of shares held by eClerx Employee Welfare Trust	51.39
As at March 31, 2020	**(1,069.51)**
As at March 31, 2021	**(1,069.51)**

Dividend distribution and proposed	As at March 31, 2021	As at March 31, 2020
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2020: Re. 1 per share (March 31, 2019: Re.1 per share)	34.01	36.11
Dividend distribution tax on final dividend	-	7.60
	34.01	**43.71**
Proposed dividends on equity shares:		
Cash dividend for the year ended on March 31, 2021: Re.1 per share (March 31, 2020: Re. 1 per share)	**34.01**	**36.10**
	34.01	**36.10**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2021.

With effect from 1 April 2020, the Dividend Distribution Tax ('DDT') payable by the company under section 115O of Income Tax Act was abolished and a withholding tax was introduced on the payment of dividend. As a result, dividend is now taxable in the hands of the recipient.

15. Employee benefit obligations

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Non-current		
Gratuity (refer note 32)	344.16	245.87
Other employee benefits	116.80	111.89
Incentive to employees	101.12	85.32
	562.08	**443.08**
Current		
Gratuity (refer note 32)	43.65	41.00
Compensated absences	206.00	235.07
Incentive to employees	791.60	603.20
	1,041.25	**879.27**

16. Other non-current financial liabilities

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Advance received from customer	12.16	-
Liability towards contingent consideration (refer note 42)	16.86	-
	29.02	-

17. Borrowings

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Unsecured:*		
Current borrowings	3.22	5.53
Non current borrowings	1.71	3.15
	4.93	**8.68**

* This refers to unsecured working capital loan carrying interest rate of 0.50% to 3.00% p.a. taken by a subsidiary in Italy and unsecured vehicle loan carrying interest rate of 13.01% p.a. taken by a subsidiary in India.

18. Trade payables

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
18.a. Dues of Micro enterprises and small enterprises		
Amount due to vendor	9.81	3.16
18.b. Dues of creditors other than Micro enterprises and small enterprises		
Trade payables	219.51	135.48

- Trade payables are non-interest bearing and are normally settled on 30-day terms
- For explanations on the Group's credit risk management processes, refer to note 40.
- Trade payables are measured at amortised cost.

19. Other current financial liabilities

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend	0.59	0.73
Unpaid fractional share payout	0.01	0.01
Contract liabilities	324.23	163.17
Accrued expense	354.96	257.77
Liability towards contingent consideration (refer note 42)	158.72	-
Payables for capital expenditure	13.32	22.51
	851.83	**444.19**
Break up of financial liabilities at amortised cost		
Borrowings (refer note 17)	4.93	8.68
Trade payables (refer note 18.a. and 18.b.)	229.32	138.64
Other financial liabilities (refer note 19)	705.27	444.19
Total	**939.52**	**591.51**
Break up of financial liabilities at fair value through profit and loss		
Liability towards contingent consideration (non - current)	16.86	-
Liability towards contingent consideration (current)	158.72	-
Total (Refer note 42)	**175.58**	**-**

20. Other current liabilities

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Statutory dues and other liabilites	143.91	118.17
Other payables	45.30	34.97
	189.21	**153.14**

21 Income taxes

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Consolidated statement of profit and loss:
Profit and loss section

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Current income tax:		
Pertaining to current year	1,023.57	727.11
Adjustments in respect of current income tax of previous year	7.78	(3.91)
Deferred tax		
Relating to origination and reversal of temporary differences	(53.38)	(7.73)
Income tax expense reported in the statement of profit and loss	**977.97**	**715.47**
OCI section		
Deferred tax related to items recognised in OCI during in the year ended:		
Net movement on of cash flow hedges	(152.41)	143.43
Net movement on remeasurement gains on defined benefit plans	6.40	4.11
Deferred tax (debited)/ credited to OCI	**(146.01)**	**147.54**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:		
Accounting profit before income tax	**3,806.18**	**2,805.19**
At Groups statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	957.94	706.01
Tax effect of income not chargeable to tax	(15.27)	(17.24)
Adjustments in respect of current income tax of previous year	7.78	(3.91)
Effect of change in tax rate (refer note below)	-	33.21
Effect of different tax rates in subsidiaries	(7.23)	(13.58)
Non-deductible expenses / (income) for tax purposes	34.46	10.98
Income tax expense reported in the statement of profit and loss	**977.97**	**715.47**
At the effective income tax rate of 25.69% (March 31, 2020: 25.51%)		

Note: From the previous financial year 2019-20, the Company accounted the tax expense as per the rates prescribed under section 115BAA of the Income Tax Act,1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the deferred tax assets (net) as at March 31, 2019 had been recomputed.

Significant component of deferred tax assets /(liabilities) and movement during the year as under:

(Rupees in Million)

Deferred tax balance in relation to	As at March 31, 2020	For the year ended March 31, 2021 Acquired pursuant to business combination	Recognized / (reversed) through profit and loss	Recognized / (reversed) from OCI	Others	As at March 31, 2021
Accelerated depreciation for tax purposes	(20.58)	-	20.18	-	-	(0.40)
Share based payments	23.59	-	1.89	-	(4.15)	21.33
Gratuity	65.76	-	6.28		-	72.04
Expenses available for offsetting against future taxable income	18.08	5.28	27.96	-	-	51.32
Deferred tax on revaluation of cash flow hedges	85.83	-	-	(152.41)	-	(66.58)
Deferred tax on net movement on remeasurement gains / (losses) on defined benefit plans	6.43	-	-	6.40	-	12.83
Leases	75.79	28.87	2.48	-	-	107.14
Gain on fair valuation of current investment	-	-	(13.10)	-	-	(13.10)
Minimum alternative tax credit	-	41.15	-	-	(8.49)	32.66
Intangibles	-	(56.56)	3.16	-	-	(53.40)
Exchange Difference	-	-	4.53	-	-	-
Net deferred tax assets / (liabilities)	**254.90**	**18.74**	**53.38**	**(146.01)**	**(12.64)**	**163.84**

Significant component of deferred tax assets /(liabilities) and movement during the year as under:

(Rupees in Million)

Deferred tax balance in relation to	As at March 31, 2019	For the year ended March 31, 2020 Acquired pursuant to business combination	Recognized / (reversed) through profit and loss	Recognized / (reversed) from OCI	Others	As at March 31, 2020
Gratuity	67.81	-	(2.05)	-	-	65.76
Expenses available for offsetting against future taxable income	21.15	-	(3.07)	-	-	18.08
Deferred tax on revaluation of cash flow hedges	(57.60)	-	-	143.43	-	85.83
Deferred tax on net movement on remeasurement gains / (losses) on defined benefit plans	2.32	-	-	4.11	-	6.43
Deferred tax recognised in retained earnings as on April 1, 2019 on adoption of Ind AS 116 Leases	-	-	-		75.79	75.79
Lease equalization reserve balance, reversed in retained earning on adoption of Ind AS 116 Leases	31.68	-	-	-	(31.68)	-
Exchange Difference	-	-	15.11	-	-	-
Net deferred tax assets / (liabilities)	**70.63**	-	**7.73**	**147.54**	**44.11**	**254.90**

(Rupees in Million)

Reflected in the balance sheet as follows:	March 31, 2021	March 31, 2020
Deferred tax assets	339.73	384.25
Deferred tax liabilities	175.89	129.35
Deferred tax assets, net	**163.84**	**254.90**

(Rupees in Million)

Reconciliation of deferred tax assets/ (liabilities) (net):	March 31, 2021	March 31, 2020
Opening balance	**254.90**	**70.63**
Tax income / (expense) during the period recognised in profit and loss	53.38	7.73
Tax income / (expense) during the period recognised in OCI	(146.01)	147.54
Acquired pursuant to business combination	18.74	
Impact on account of adoption of Ind AS 116 recognised in retained earning	-	44.11
Others	(12.64)	
Exchange difference	(4.53)	(15.11)
Closing balance	**163.84**	**254.90**

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, 2020, the parent Company has paid Dividend Distribution Tax (DDT) to the taxation authorities while paying dividend to its shareholders. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

22. Revenue from operations

(Rupees in Million)

	March 31, 2021	March 31, 2020
Sale of services	15,644.91	14,360.38
Other operating revenue (refer note 22(a))	-	15.33
	15,644.91	**14,375.71**
Revenues consist of the following:		
Revenue from ITeS services	14,902.38	13,879.65
Revenue from software development, licensing of software products & related services	742.53	480.73
Total revenue from operations	**15,644.91**	**14,360.38**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

(Rupees in Million)

	March 31, 2021	March 31, 2020
Revenues by Geography		
North America	10,592.65	9,574.14
United Kingdom	977.15	1,004.13
Europe	2,996.78	2,804.89
Asia Pacific	1,078.33	977.22
Total	**15,644.91**	**14,360.38**
Revenues by contract type		
Time & Materials	13,676.77	12,441.28
Fixed Price	1,968.14	1,919.10
Total	**15,644.91**	**14,360.38**
Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:		
Revenue as per contracted price	15,773.05	14,444.94
Reductions towards variable consideration components*	(128.14)	(84.56)
Revenue from contract with customers	**15,644.91**	**14,360.38**

*The reduction towards variable component comprises of volume discounts.

During the year ended March 31, 2021 , the Group recognised revenue of Rs 131.55 million arising from opening unearned revenue as of April 1, 2020. During the year ended March 31, 2020 , the Group recognised revenue of Rs 90.11 million arising from opening unearned revenue as of April 1, 2019.

During the years ended March 31, 2021 and March 31, 2020, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at March 31, 2021 and March 31, 2020, the Group does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts:

a) where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and;

b) where the performance obligation is part of a contract that has an original expected duration of one year or less. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidation, adjustment for revenue that has not materialised and adjustments for currency."

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021, other than those meeting the exclusion criteria mentioned above, is Rs. 666.82 million (March 31, 2020: Rs. 351.79 million). Out of this, the Group expects to recognise revenue of around 44.14% (March 31, 2020: 66.37%) within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

22(a). As per Service Exports from India Scheme ("SEIS") w.e.f. 01.04.2015 under the Foreign Trade Policy (FTP), 2015-20, the Company is eligible to get the duty credit scrips against export of services under defined category. The said income is accounted as other operating revenue. Other operating revenue of Rs. 15.33 million for the previous year ended March 31, 2020 represents true-up of SEIS income based on the filing made for the financial year 2018-19.

23. Other income

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on fixed deposits	85.02	132.16
Interest income on corporate rent deposits	16.52	11.44
Dividend	0.06	66.66
Gain on foreign exchange fluctuation (net)	-	109.22
Gain on fair valuation of current investment	-	121.20
Gain on lease modification	5.72	-
Profit on sale of current investments	224.51	13.32
Interest on ITR Refund	0.07	-
Government grants	9.08	7.16
Miscellaneous income	3.56	5.89
	344.54	**467.05**

24. Employee benefits expense

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	8,338.85	8,078.74
Employee stock compensation	21.32	9.28
Contribution to provident and other funds	368.43	356.19
Gratuity expense (refer note 32)	61.95	58.43
Staff welfare expense	62.55	39.98
	8,853.10	**8,542.62**

25. Depreciation and amortisation expense

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of tangible assets (refer note 3)	385.16	316.22
Amortisation of intangible assets (refer note 4)	99.44	87.40
Depreciation on Right of Use on Lease Assets (refer note 34.a.)	331.33	305.33
	815.93	**708.95**

26. Finance costs

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on loans	2.85	-
Interest on lease liabilities (refer note 34. a.)	199.92	188.10
	202.77	**188.10**

27. Other expense

(Rupees in Million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Office base rentals	209.91	225.06
Travelling expense	53.18	406.60
Communication expense	225.79	198.88
Legal and professional charges	300.50	226.62
Repairs and maintenance		
Building	6.28	15.13
Others	36.07	36.54
Cost of raw materials, consumables, spare parts and other goods	16.91	17.47
Rates and taxes	21.86	21.04
Office expenses	48.53	64.81
Housekeeping services	28.07	47.09
Security charges	27.29	60.58
Other insurance	34.66	21.53
Subscription & membership fees	103.10	82.29
Electricity	87.47	93.57
Local conveyance	43.86	76.46
Computer and electrical consumables	228.52	226.19
Printing and stationery	3.64	8.88
Bad debts written off	1.73	11.70
Advertisement Expenses	4.67	-
Provision for doubtful debts	1.04	9.12
Business promotion	45.67	66.99
Bank charges	11.43	13.45
Directors' sitting fees	2.52	1.87
Loss on sale of fixed assets/assets disposed off (net)	3.56	12.93
Corporate Social Responsibility ("CSR") expenditure (refer details below)	54.48	67.41
Freight, transportation, port charges etc	12.79	12.44
Foreign exchange loss (net)	88.69	-
Miscellaneous expense	7.16	18.04
Trust management fees	0.84	0.76
Fair value loss on financial instruments at fair value through profit or loss	70.23	-
	1,780.45	**2,043.46**

Research and development expenditure:

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

Revenue expenditure	89.00	82.58
Capital expenditure	-	-
	89.00	**82.58**

Details of CSR expenditure:

Gross amount required to be spent by the Group during the year: Rs 56.18 (March 31, 2020: Rs. 70.08) million

For the year ended March 31, 2021			
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than above	54.48	-	54.48

For the year ended March 31, 2020			
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than above	67.41	-	67.41

28. Components of Other Comprehensive Income ("OCI")

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2021:

(Rupees in Million)

	Cash flow hedge reserve	Retained earnings	Total
Net movement on cash flow hedges	605.57	-	605.57
Income tax effect on net movement on cash flow hedges	(152.41)	-	(152.41)
Remeasurement gains / (losses) on defined benefit plans	-	(26.30)	(26.30)
Income tax effect on remeasurement gains / (losses) on defined benefit plans	-	6.40	6.40
Exchange differences on translation of foreign operations	48.06	-	48.06
	501.22	**(19.90)**	**481.32**

During the year ended March 31, 2020:

Net movement on cash flow hedges	(548.35)	-	(548.35)
Income tax effect on net movement on cash flow hedges	143.43	-	143.43
Remeasurement gains / (losses) on defined benefit plans	-	(17.48)	(17.48)
Income tax effect on remeasurement gains / (losses) on defined benefit plans	-	4.11	4.11
Exchange differences on translation of foreign operations	237.42	-	237.42
	(167.50)	**(13.37)**	**(180.87)**

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, 2021	As at March 31, 2020
Profit attributable to equity holders of the Group:		
Continuing operations (Rs in millions)	2,825.61	2,089.83
Weighted average number of equity shares	34,621,619	36,494,112
Dilutive impact of employee stock options	138,147	9,894
Weighted average number of equity shares adjusted for the effect of dilution *	34,759,766	36,504,006
Earnings per equity share (in Rs.)		
Basic	81.61	57.26
Diluted	81.29	57.25

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

29.a. Details of non - current investments

Investments in unquoted equity instruments (fully paid up)	As at March 31 No. of shares		Currency	Face value	As at March 31 Rupees in Million	
	2021	2020			2021	2020
Talentick Edusolutions Private Limited	8,000	8,000	Rs.	1	2.40	2.40
Total					**2.40**	**2.40**

29.b. Details of current investments

Investments in Indian money market mutual funds	As at March 31 Number of units		As at March 31 Rupees in Million	
	2021	2020	2021	2020
Aditya Birla Sun Life Floating Rate Fund- Growth-Direct Plan	-	648,272	-	163.56
Aditya Birla Sun Life Savings Fund- Growth- Regular Plan	-	809,233	-	321.69
Aditya Birla Sun Life Money Manager Fund- Growth- Direct Plan	-	1,000,516	-	271.06
Aditya Birla Sun Life Overnight Fund- Growth- Direct Plan	188,715	-	210.03	-
HDFC Money Market Fund- DP-Growth	-	67,233	-	283.71
HDFC Liquid Fund- Direct Plan- Growth Option	-	26,966	-	105.35
HDFC Overnight Fund - Direct Plan - Growth option	-	50,522	-	150.01
Kotak Corporate Bond Fund Direct Growth	-	115,185	-	317.95
Kotak Savings Fund-Direct Plan- Growth	-	9,766,294	-	320.86
ICICI Prudential Savings Fund - Growth	-	818,309	-	316.97
ICICI Prudential Liquid Fund Growth	-	179,416	-	52.71
ICICI Prudential Liquid Fund - Direct Plan - Growth- Short term	-	511,105	-	150.15
IDFC Ultra Short Term Fund Direct Plan-Growth	24,867,088	24,867,088	297.69	283.51

Investments in Indian money market mutual funds	As at March 31		As at March 31	
	2021	2020	2021	2020
	Number of units		Rupees in Million	
IDFC Low Duration Fund- Growth- (Direct Plan)	3,496,931	3,496,931	107.21	100.96
IDFC Cash Fund - Growth - (Direct Plan)	136,714		339.87	-
IDFC Low Duration Fund- Growth- (Regular Plan)	6,651,346		201.17	-
Nippon India Liquid Fund-Direct Plan-Growth Plan	-	20,631	-	100.07
Nippon India Money Market Fund- Growth Plan Growth Option	-	95,068	-	288.28
Nippon India Overnight Fund- Direct Growth Plan	-	492,066	-	52.74
UTI Liquid Cash Plan - Regular Plan - Growth	89,485	-	300.06	-
UTI liquid cash plan- Direct Growth Plan	-	30,779	-	100.08
Aditya Birla Sun Life Liquid Fund - Daily dividend - Direct Plan	14,921	17,381	1.50	1.74
Axis Liquid Fund- Direct Growth- Short Term	-	45,394	-	100.06
Axis Liquid Fund- Direct Growth	-	23,918	-	52.72
Axis Treasury Advantage Fund- Direct Growth	-	151,356	-	351.93
Axis Overnight Fund Direct Growth	-	15,608	-	16.47
DSP Liquidity Fund - Regular Plan - Growth	41,306	-	120.60	-
DSP Blackrock Low Duration Fund Fund - Direct Plan Growth	-	20,621,962	-	307.36
DSP Overnight Fund - Direct - Growth	24,677	-	27.20	-
DSP Savings Fund- Direct Plan- Growth	8,679,317	3,903,220	365.41	155.58
Invesco India Overnight Fund - Direct Plan Growth	54,259	-	56.45	-
Invesco India Liquid Fund - Direct Plan Growth	90,809	-	256.61	-
Total			**2,283.80**	**4,365.52**

30. Group Information

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

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power	
			March 31, 2021	March 31, 2020
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	eClerx B.V.	Netherlands	100% subsidiary of eClerx Investments (UK) Limited	-

Sr. No.	Name of the Company	Country of Incorporation	Shareholding and voting power	
			March 31, 2021	March 31, 2020
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
12	Eclipse Global Holdings LLC**	United States of America	100% subsidiary of eClerx LLC	-
13	Personiv Contact Centers LLC**	United States of America	100% subsidiary of Eclipse Global Holdings LLC	-
14	ASEC Group, LLC**	United States of America	100% subsidiary of Eclipse Global Holdings LLC	-
15	AGR Operations Manila Inc.**	Philippines	99.99% holding by Personiv Contact Centers LLC	-
16	AG Resources (India) Private Limited.**	India	99.98% holding by Personiv Contact Centers LLC	-
17	Personiv Contact Centers India Private Limited.**	India	99.85% holding by Personiv Contact Centers LLC	-

* This is subsidiary for the purpose of consolidation as per Ind AS 110 "Consolidated Financial Statements".
** Refer note 42

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, Twofour CGU and Eclipse Global Holdings LLC CGU. The Group evaluates goodwill for impairment annually.The Group performs its annual impairment test for year ended March 31, 2021 and March 31, 2020 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 :

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Customer Operations CGU	888.59	888.59
CLX Europe CGU	1,377.55	1,332.02
Two Four Consulting CGU	49.99	51.49
Eclipse Global Holdings CGU (Refer note 42)	1,410.12	-
	3,726.25	**2,272.10**

Customer Operations CGU

The recoverable amount of the Customer operations CGU as on March 31, 2021 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 average growth rate used to extrapolate the cash flows of the CGU for the five year period is 5.45% (31 March 2020 : 2.71%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 2% (March 31, 2020: 2%). This growth rate is in line with the industry average growth rate. The discount rate applied to cash flow projections for impairment testing during the current year is 26.96% (March 31, 2020 : 28.44%) . 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, 2021 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 average growth rate used to extrapolate the cash flows of the CGU for the three year period is 7.1% (31 March 2020 : 2.63%). The growth rate used to extrapolate the cash flows of the unit beyond the three-year period is 1% (March 31, 2020: 1%). This growth rate is in line with the industry average growth rate.The discount rate applied to cash flow projections for impairment testing during the current year is 8.30% for its units in different countries. (March 31, 2020 : 8.36 %). As a result of the analysis, the management did not identify any impairment for this CGU.

Eclipse Global Holdings CGU

The recoverable amount of Personiv CGU as on March 31, 2021 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 average growth rate used to extrapolate the cash flows of the CGU for the five year period is 5.7%. 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 discount rate applied to cash flow projections for impairment testing during the current year is 14.34% for its units in different countries. 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, 2021 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 average growth rate used to extrapolate the cash flows of the CGU for the five year period is 5.00% (31 March 2020 : 1.35%). The growth rate used to extrapolate the cash flows of the unit beyond the five year period is 2% (31 March 2020 : 2%) . This growth rate is in line with the industry average growth rate.The discount rate applied to cash flow projections for impairment testing during the current year is 17.36% (31 March 2019 : 15.10%) 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 (except for two subsidiaries AG Resources (India) Private Ltd. and Personiv Contact Centers India Private Ltd.) 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 majorly for Indian gratuity plans :

	As at March 31, 2021	As at March 31, 2020
Current service cost	42.03	39.99
Interest cost on benefit obligation	19.66	19.28
Return on plan assets (excluding amounts included in net interest expense)	(0.57)	(0.84)
	61.12	**58.43**

The funded status majorly of the Indian gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2021 and March 31, 2020 is as follows:

(Rupees in Million)

	Domestic plan funded		
	Defined benefit obligation	Fair value of plan assets	TOTAL
Employee benefit liability as at April 1, 2019	**258.12**	**11.20**	**246.92**
Gratuity cost charged to statement of profit and loss			
Service cost	39.99	-	39.99
Net interest expense	19.28	-	19.28
Return on plan assets (excluding amounts included in net interest expense)	-	0.84	(0.84)
Sub-total included in statement of profit and loss	**59.27**	**0.84**	**58.43**
Benefits paid			
from fund	(39.32)	(39.32)	-
paid by employer	-	-	-
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	5.64	-	5.64
Actuarial changes arising from changes in financial assumptions	0.98	-	0.98
Experience adjustments	10.86	-	10.86
Sub-total of remeasurement losses / (gains) included in OCI	**17.48**	**-**	**17.48**
Contributions by employer	**-**	**35.96**	**(35.96)**
Employee benefit liability as at March 31, 2020	**295.55**	**8.68**	**286.87**

(Rupees in Million)

	Domestic plan funded		
	Defined benefit obligation	Fair value of plan assets	TOTAL
Employee benefit liability as at April 1, 2020	**295.55**	**8.68**	**286.87**
Gratuity cost charged to statement of profit and loss			
Service cost	**40.77**	**-**	**40.77**
Net interest expense	19.39	-	19.39
Return on plan assets (excluding amounts included in net interest expense)	-	0.57	(0.57)
Sub-total included in statement of profit and loss	**60.16**	**0.57**	**59.59**
Benefits paid			
from fund	(33.49)	(33.49)	-
paid by employer	-		-
Remeasurement losses / (gains) in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.42)	-	(0.42)
Experience adjustments	32.30	-	32.30
Sub-total of remeasurement losses / (gains) included in OCI	**31.88**	**-**	**31.88**
Contributions by employer	-	27.86	(27.86)
Benefit liability as on March 31, 2021	**354.10**	**3.62**	**350.48**

The amounts recognized in the Group's financial statements in respect of unfunded plans of Indian subsidiaries as at March 31, 2021 as follows:

	Domestic plan unfunded
Employee benefit liability as at April 1, 2020	**-**
Employee benefit liability from acquired business during the period (Refer note 42)	26.16
	26.16
Gratuity cost charged to statement of profit and loss	
Service cost	1.26
Net interest expense	0.27
Sub-total included in statement of profit and loss	**1.53**
Benefits paid by employer	(0.45)
Remeasurement losses / (gains) in other comprehensive income	
Actuarial changes arising from changes in demographic assumptions	0.10
Actuarial changes arising from changes in financial assumptions	(0.80)
Experience adjustments	(0.73)
Sub-total of remeasurement losses / (gains) included in OCI	**(1.43)**
Contributions by employer	-
Benefit liability as on March 31, 2021	**25.81**

The principal assumptions used in determining gratuity obligations of the Group are shown below:

	March 31, 2021 %	March 31, 2020 %
Discount rate:		
India gratuity plan	6.27 - 6.79	6.56
Future salary increases:		
India gratuity plan	6 - 7	6.00
Assumption:		
Expected return on plan assets	6.57	6.56
Employee turnover:		
a. For service 4 years and below (p.a.)	33.00	33.00
b. For service 5 years and above (p.a.)	4.00	4.00

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

A quantitative sensitivity analysis for significant assumption is as shown below:

India gratuity plan:

	March 31, 2021	March 31, 2020
	%	%
Effect of +1% Change in discount rate	(40.81)	(32.14)
Effect of -1% Change in discount rate	48.46	38.42
Effect of +1% Change in future salary increases	42.26	33.26
Effect of -1% Change in future salary increases	(37.07)	(29.04)
Effect of +1% Change in employee turnover	1.78	2.48
Effect of -1% Change in employee turnover	(2.24)	(2.95)

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

The following payments are expected contributions to the defined benefit plan in future years:

Within the next 12 months (next annual reporting period)	18.45	14.06
Between 2 and 5 years	74.18	58.18
Between 5 and 10 years	116.25	81.85
Total expected payments	**208.89**	**154.09**

The average duration of the defined benefit plan obligation at the end of the reporting period is 13.60 years (31 March 2020: 14 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:

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Expense arising from equity-settled share-based payment transactions	21.32	9.28
	21.32	**9.28**

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

(Rupees in Million)

	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	136,053	1,196.25	281,426	1,076.21
Forfeited during the year	136,053	1,196.25	126,401	938.20
Exercised during the year	-	-	18,972	564.05
Outstanding at the end of the year	**-**	**-**	**136,053**	**1,196.25**
Exercisable at the end of the year	-		136,053	

No options were exercised during the year. The weighted average share price at the date of exercise of these options for previous year March 31, 2020 was Rs. 1,128.06 per share.

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 is Nil (March 31, 2020: 1.15 years).

There are no options outstanding at the end of the year. Exercise prices for options outstanding at the end of the previous year March 31, 2020 was Rs. 1,196.25.

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 eClerx Employee Welfare Trust ("ESOP Trust") which is authorised for secondary acquisition. However, during the year in review, ESOP trust has not bought any shares (in financial year 2018-19: 433,200 shares were bought) from open market. As at March 31, 2021, ESOP Trust holds 883,605 shares of the Company.

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

(Rupees in Million)

	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	930,698	1,082.00	867,345	1,327.84
Granted during the year	318,080	413.03	343,451	595.70
Forfeited during the year	184,730	1,185.44	280,098	1,243.81
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**1,064,048**	**864.21**	**930,698**	**1,082.00**
Exercisable at the end of the year	212,827		98,279	

The weighted average remaining contractual life for the share options outstanding as at March 31, 2021 was 3.77 years (March 31, 2020: 4.06 years).

The range of exercise prices for options outstanding at the end of the year was Rs. 413.03 to Rs. 1,379.15 (March 31, 2020: Rs.595.70 to Rs. 1,379.15).

The weighted average fair value of options granted during the year was Rs. 85.29 (March 31, 2020: Rs. 50.59)

The average vesting period is 3 years and exercise period is 3 years from the date of vesting.

The following tables list the inputs to the models used for fair valuation of the options :

(Rupees in Million)

	As at March 31, 2021	As at March 31, 2020
Date of grant	June 09, 2020	August 02, 2019
Dividend yield (%)	0.23	12.06
Expected volatility (%)	35.83	28.20
Risk–free interest rate (%)	5.38	6.10
Expected life of share options (years)	4.31	4.17
Model used	Black and Scholes	Black and Scholes
Stock price (Rs.)	413.03	595.70
Exercise Price (Rs.)	413.03	595.70

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.a. Leases

(Rupees in Million)

Group as lessee

The Group has entered into commercial property leases for its offices. Further, the Group has also adopted Ind AS 116 'Leases' with effect from April 1, 2019 using the modified retrospective method.

The changes in the carrying values of right-of-use asset for the years ended March 31, 2021 and March 31, 2020 are given below.

Gross carrying value	
As at April 01, 2019	**-**
Adjustment on account of IND AS 116 "Leases"	1,223.06
Additions	341.39
Deletions	-
Translation exchange difference	22.35
As at March 31, 2020	**1,586.80**
Additions on account of acquisition of business (refer note 42)	247.65
Additions	169.91
Deletions	81.08
Translation exchange difference	(9.21)
As at March 31, 2021	**1,914.07**
Depreciation and impairment	
As at April 1, 2019	**-**
Depreciation charge for the year	305.33
Deletions	-
As at March 31, 2020	**305.33**
Depreciation charge for the year	331.33
Deletions	50.06
As at March 31, 2021	**586.60**
Net Book Value	
As at March 31, 2021	**1,327.47**
As at March 31, 2020	**1,281.47**

Set out below are the carrying amounts of lease liabilities and the movements during the the years ended March 31, 2021 and March 31, 2020:

(Rupees in Million)

As at April 01, 2019	**-**
Adjustment on adoption of Ind AS 116 'Leases'	1,452.54
Additions	341.39
Accretion of interest	188.10
Repayments	(448.63)
Translation exchange difference	23.94
As at March 31, 2020	**1,557.34**
Additions on account of acquisition of business (refer note 42)	352.25
Additions	169.91
Deletions	(34.42)
Accretion of interest	199.92
Repayments	(493.43)
Translation exchange difference	(9.22)
As at March 31, 2021	**1,742.35**

(Rupees in Million)

	March 31, 2021	March 31, 2020
Current	304.65	240.84
Non-current	1,437.70	1,316.50
	1,742.35	**1,557.34**
The maturity analysis of undiscounted lease liabilities as at March 31, 2021 and March 31, 2020 are as follows:		
Less than 1 year	513.91	423.54
1 to 5 years	1,502.51	1,366.43
>5 years	429.06	591.50
	2,445.48	**2,381.47**
The following amounts are recognised in Statement of Profit and Loss for the year ended March31,2021:		
Depreciation expenses on right-of-use assets	331.33	305.33
Interest expense on lease liabilities	199.92	188.10
	531.25	**493.43**

The Group had total cash outflows for leases of Rs. 493.43 million for the year ended March 31, 2021 (March 31, 2020: Rs. 448.63 million). The Group does not have non-cash additions to right-of-use assets and lease liabilities for the years ended March 31, 2021 and March 31, 2020. There are no future cash outflows relating to leases that have not yet commenced

The minimum rental payments to be made in future in respect of leases to which the Group has chosen to apply the practical expedient as per the standard as of March 31, 2021 is as follows:

Less than 1 year	3.09	2.20
1 to 5 years	-	-
>5 years	-	-
	3.09	**2.20**

34. b. Commitments

(Rupees in Million)

	March 31, 2021	March 31, 2020
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	57.41	24.89

34. c. Contingent liabilities

(Rupees in Million)

	March 31, 2021	March 31, 2020
Contingent liabilities		
Income tax demands (refer note a and b)	205.33	116.41
Indirect tax demands (refer note c)	128.29	136.99

Notes:

(a) The Group has received Income tax demands amounting to Rs. 116.41 million (including interest) for financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 against which appeals are pending with Commissioner of Income Tax (Appeals) and Income tax Appelate Tribunal.

(b) The Group has received Income Tax demands amounting to Rs.88.92 million (including interest) for financial years 2016-17 and 2017-18 against which rectification letter & revised return have been filed with the deputy commissioner of Income-tax.

(c) The Group has received Service tax demands amounting to Rs. 125.10 million (excluding interest and penalties) for the period April 2007 to March 2013 against which appeals are pending with Central Excise and Service Tax Appelate Tribunal and Rs.3.18 million (excluding interest and penalties) for the period April 2013 to March 2017 against which appeals are pending with Commissioner of Central Excise (Appeals).

With respect to tax refund claims for the period July 2014 till March 2017 to the extent rejected by the Services Tax Deparment for Rs.2.08 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 except Rs 15.22 million has been provided as per requirement of Appendix C to Ind AS 12 Income Taxes.

35. Related party transcations

A. RELATED PARTIES & KEY MANAGEMENT PERSONNEL

Name of related party and related party relationship

Key Management Personnel:	
1. **Pradeep Kapoor** (Non-Executive Director - Chairman)	7. **Anish Ghoshal** (Non-Executive Independent Director)
2. **PD. Mundhra** (Executive Director)	8. **Alok Goyal** (Non-Executive Independent Director)
3. **Anjan Malik** (Non-Executive Director)	9. **Deepa Kapoor** (Non-Executive Independent Director)
4. **Rohitash Gupta** (Chief Financial Officer)	10. **Shailesh Kekre** (Non-Executive Independent Director)
5. **Pratik Bhanushali** (Company Secretary)	11. **Srinjay Sengupta** (Additional Non-Executive Independent Director) (w.e.f. January 28, 2021)
6. **Biren Gabhawala** (Non-Executive Independent Director)	

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

There are no transactions with related parties to report for the relevant financial year except below transactions with key management personnel.

Transactions with key management personnel

Name	Nature of Transaction	March 31, 2021	March 31, 2020
Anjan Malik	Dividend	9.37	9.37
PD. Mundhra	Dividend	9.37	9.37
Pradeep Kapoor	Dividend	0.01	0.01
Rohitash Gupta	Dividend	0.03	0.01
Biren Gabhawala	Dividend	0.01	0.01
Anish Ghoshal	Dividend	0.01	0.01
Biren Gabhawala	Commission & Sitting Fees	2.32	2.20
Anish Ghoshal	Commission & Sitting Fees	2.32	2.20
Pradeep Kapoor	Commission & Sitting Fees	2.32	2.20
Alok Goyal	Commission & Sitting Fees	2.26	2.20
Deepa Kapoor	Commission & Sitting Fees	2.32	2.20
Shailesh Kekre	Commission & Sitting Fees	2.32	2.26
Srinjay Sengupta	Commission & Sitting Fees	0.38	-
PD. Mundhra	Buy Back of shares	-	591.58
Anjan Malik	Buy Back of shares	-	591.34
Pradeep Kapoor	Buy Back of shares	-	0.49
Biren Gabhawala	Buy Back of shares	-	0.38

(Rupees in Million)

Compensation of key management personnel of the Group	March 31, 2021	March 31, 2020
Anjan Malik		
Short-term employee benefits	24.76	21.05
PD. Mundhra		
Short-term employee benefits	24.84	21.39
Rohitash Gupta		
Short-term employee benefits	14.35	13.75
Share-based payment	-	-
Pratik Bhanushali		
Short-term employee benefits	4.09	3.50
Total compensation paid to key management personnel	**68.04**	**59.69**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel except share based payment which is disclosed on the basis of shares exercised.

36. Segment Information

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

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

(Rupees in Million)

Revenue from external customers	For the year ended	
	March 31, 2021	March 31, 2020
North America	10,592.65	9,571.83
United Kingdom	977.15	983.49
Europe	2,996.78	2,828.13
Asia Pacific	1,078.33	976.93
Total Revenue	**15,644.91**	**14,360.38**

The Group has two customers with revenue greater than 10% each of total group revenue totalling Rs.4,253.56 million for the year ended March 31, 2021 and two customers with revenue greater than 10% each of the group revenue totalling Rs.4,192.22 million for the year ended March 31, 2020.

(Rupees in Million)

Non -current operating assets	As at March 31, 2021	As at March 31, 2020
North America	3,348.05	1,237.34
United Kingdom	39.42	63.63
Europe	1,947.50	1,893.59
Asia Pacific	2,090.25	1,906.17
Total Assets	**7,425.22**	**5,100.73**

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

37. Hedging activities and derivatives

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales in USD. These forecast transactions are highly probable, and they comprise about 43.41% of the Group's total expected sales in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in the foreign exchange forward rate. The terms of foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

March 31, 2021

Type of Hedge and Risks	Nominal Value (Rs. in Million)	Carrying amount of hedging instrument (Rs. in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	10,666.67	264.56	-	April 2021-April 2023	77.75

March 31, 2020

Type of Hedge and Risks	Nominal Value (Rs. in Million)	Carrying amount of hedging instrument (Rs. in Million)		Maturity date	Weighted average forward rate
		Assets	Liabilities		
Cash flow hedges					
Foreign currency risk					
Foreign exchange forward contracts - USD	9,565.30	-	341.01	April 2020 - April 2022	75.17

The cash flow hedges of the expected future sales during the year ended March 31, 2021 were assessed to be highly effective and a net unrealised gain of Rs. 264.56 million, with a deferred tax liability of Rs. 66.58 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, 2020 were assessed to be highly effective and an unrealised loss of Rs 341.01 million with a deferred tax asset of Rs.85.83 million was included in OCI in respect of these contracts.

The amounts reclassified from OCI to profit or loss for the year ended March 31, 2021, amounts to gain of Rs. 58.53 million (March 31, 2020: Gain of Rs. 98.63 million).

38. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

March 31, 2021

(Rupees in Million)

Type of Hedge and Risks	Carrying value		Fair value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Fair value through profit or loss (FVTPL) financial investments	2,283.80	4,365.52	2,283.80	4,365.52
Foreign exchange forward contracts - (Liabilities) / Assets	264.56	(341.01)	264.56	(341.01)
Fair value through profit or loss (FVTPL) financial liability towards contingent consideration	175.58	-	175.58	-
Total	**2,723.94**	**4,024.51**	**2,723.94**	**4,024.51**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets carried at fair value through profit and loss ("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, 2021, the marked-to-market value of derivative asset / (liability) 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, 2021:

(Rupees in Million)

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets / (Liabilities) measured at fair value:					
Foreign exchange forward contracts	March 31, 2021	264.56	-	264.56	-
FVTPL financial investments (Note 38):					
Investments in quoted mutual funds	March 31, 2021	2,283.80	2,283.80	-	-
FVTPL financial liabilities (Note 16 and 19):					
Liability towards contingent consideration*	March 31, 2021	175.58	-	-	175.58

* Discount rate of 14.79% is used for arriving at the fair value of contingent consideration.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

(Rupees in Million)

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets / (Liabilities) measured at fair value: Foreign exchange forward contracts	March 31, 2020	(341.01)	-	(341.01)	-
FVTPL financial investments (Note 38): Investments in quoted mutual fundsL	March 31, 2020	4,365.52	4,365.52	-	-

40. Financial risk management objectives and policies:

The Group's principal financial liabilities, other than derivatives and lease liabilities 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 and other bank balances that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance to the Board of Directors that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken which is consistent with the Group's foreign risk management policy. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I: Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTPL investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

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, 2021.

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, 2021 and March 31, 2020 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, 2021 and March 31, 2020 for the effects of the assumed changes of the underlying risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investment in foreign subsidiaries.

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

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

As at March 31, 2021, the Group hedged 48.77% (March 31, 2020: 56%) of its expected foreign currency sales in US dollars. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in overseas.

The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The following table demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant.The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2021	+5%	142.98	(13.23)
	-5%	(142.98)	13.23
March 31, 2020	+5%	151.52	(17.05)
	-5%	(151.52)	17.05

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2021	+5%	5.90	-
	-5%	(5.90)	-
March 31, 2020	+5%	5.20	-
	-5%	(5.20)	-

The movement in the pre-tax effect is a result of a change in the fair value of derivative financial instruments and monetary assets and liabilities denominated in foreign currency, where the functional currency of the entity is a currency other than foreign currency.

Equity price risk

The Group's equity price risk is minimal due to no investment in listed securities and immaterial investment in non-listed equity securities.

At the reporting date, the exposure to unlisted equity securities was Rs.2.4 million. No sensitivity analysis done since amount is immaterial.

II: CREDIT RISK

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

Trade receivables

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

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

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

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

Financial instruments and bank deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's treasury department on a periodic basis as per the Board of Directors approved investment policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure relating to financial derivative instruments is noted in note 37 and 38.

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, 2021					
Other financial liabilities excluding liability towards contingent consideration	-	510.01	183.10	12.16	705.27
Liability towards contingent consideration	-	-	158.72	16.86	175.58
Trade and other payables	-	220.98	8.34	-	229.32
	-	**730.99**	**350.16**	**29.02**	**1,110.17**

The maturity analysis of lease liabilities are disclosed in Note 34.

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended March 31, 2020					
Other financial liabilities	-	314.05	126.99	3.15	444.19
Trade and other payables	-	136.83	1.81	-	138.64
	-	**450.88**	**128.80**	**3.15**	**582.83**

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, 2021 and March 31, 2020.

42. Acquisitions:

The Group has acquired the entire shareholding of Eclipse Global Holdings LLC (dba Personiv) headquartered in Austin, Texas, USA on December 23, 2020 through investment in its overseas subsidiary eClerx LLC, USA. Personiv provides digital, creative, back office and customer contact solutions.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Eclipse Global Holdings LLC (dba Personiv) as at the date of acquisition were as below:

(Rupees in Million)

Assets	
Property, plant and equipment (Refer note 3)	113.18
Other intangible assets (Refer note 4)	13.99
Right of use assets (Refer note 34)	247.65
Customer relationship (Refer note 4)	928.69
Non-compete agreement (Refer note 4)	24.36
Deferred tax asset (Refer note 21)	79.91
Other financial assets	81.71
Trade receivables*	290.80
Cash and cash equivalents	192.50
Other current assets	25.04
	1,997.83
Liabilities	
Employee benefit obligations	90.96
Other non-current liabilities	14.36
Trade payables	70.24
Other financial liabilities	215.11
Lease liabilities	352.25
Other current liabilities	54.83
Borrowings	1.55
Deferred Tax Liability (Refer note 21)	61.17
Current Tax Liabilities	29.92
	890.39
Total identifiable net assets at fair value	**1,107.44**
Goodwill arising on acquisition (Refer note 4)	1,422.94
Purchase consideration transferred	**2,530.38**

* At fair value, net of credit impairment of Rs.4.84 million. It is expected that the amount will be fully collected

The goodwill of Rs. 1,422.94 million comprises the value of expected synergies arising from the acquisition. Goodwill amounting to Rs. 110.72 million is estimated to be deductible for income tax purposes.

From the date of acquisition, Eclipse Global Holdings LLC (dba Personiv) has contributed Rs 591.39 million of revenue and Rs. 124.47 million to the profit before tax from continuing operations of the Group.

(Rupees in Million)

Purchase consideration	
Cash	2,353.21
Fair value of contingent consideration	167.81
Consideration for net working capital adjustment	9.36
Total consideration	**2,530.38**

The transaction costs of Rs. 45.75 million related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2021.

Contingent consideration

As part of the purchase agreement with the previous owner of Eclipse Global Holdings LLC (dba Personiv), a contingent consideration has been agreed. There will be additional cash payments to the previous owners of Eclipse Global Holdings LLC (dba Personiv) as below:

a. Rs. 167.81 million would accrue to the sellers of Eclipse Global Holdings LLC (dba Personiv) over a period of next two years which is subject to the acheivement of financial targets for the respective years.

b. Rs. 9.36 million is payable post March 31, 2021 on account of estimated working capital adjustment.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the projected revenue and earnings before interest for the next two calendar years and discount rate used of 14.79%. The undiscounted value of contingent consideration as of March 31, 2021 was Rs. 202.52 million .

A reconciliation of fair value measurement of the contingent consideration liability is provided below:

(Rupees in Million)

Purchase consideration	
Opening balance as at April 01, 2020	-
Liability arising on business combination	177.17
Unrealised fair value changes recognised in profit or loss*	-1.59
Closing balance as at March 31, 2021	**175.58**

*On account of exchange rate fluctuation from the date of accquisition to March 31, 2021

43. Transfer pricing

The Group is required to comply with the local transfer pricing regulations, which are contemporaneous in nature. The Group appoints independent consultants annually for conducting a transfer pricing study to determine whether transactions with associated enterprises are undertaken, during the financial year, on an arms length basis. Adjustments, if any, arising from the transfer pricing study in the respective jurisdictions shall be accounted for as and when the study is completed for the current financial year. The management is of the opinion that its international transactions are at arms length and hence, the aforesaid legislations will not have any impact on the consolidated financial statements.

44. Summary of Net assets and share in profit or loss of the Group

March 31, 2021 (Rupees in Million)

Name of the Entity	Net assets*	%	Share in Profit or (loss)*	%	Share in other comprehensive income*	%	Share in other comprehensive income*	%
Parent								
eClerx Services Limited	12,536.81	83%	2,389.04	84%	429.21	89%	2,818.25	85%
Subsidiaries								
Foreign								
eClerx LLC	3,805.09	25%	124.23	4%	(33.82)	-7%	90.41	3%
eClerx Limited	304.47	2%	45.12	2%	17.13	4%	62.25	2%
eClerx Private Limited	142.61	1%	7.68	0%	3.31	1%	10.99	0%
eClerx Investments (UK) Limited	1,857.67	12%	8.06	0%	74.33	15%	82.39	2%
eClerx B.V.	7.38	0%	3.11	0%	-	0%	3.11	0%
CLX Europe S.P.A	1,498.23	10%	63.23	2%	-	0%	63.23	2%
CLX Europe Media Solution GmbH	277.40	2%	16.35	1%	-	0%	16.35	0%
CLX Europe Media Solution Limited	89.81	1%	3.17	0%	-	0%	3.17	0%
eClerx Canada Limited	6.80	0%	2.90	0%	-	0%	2.90	0%
CLX Thai Company Limited	18.53	0%	5.13	0%	-	0%	5.13	0%
Eclipse Global Holdings LLC	319.37	2%	136.84	5%	-	0%	136.84	4%
Personiv Contact Centers LLC	497.02	3%	121.45	4%	-	0%	121.45	4%
ASEC, Group LLC	601.85	4%	12.94	0%	-	0%	12.94	0%
AGR Operations Manila Inc	272.93	2%	15.26	1%	2.94	1%	18.20	1%
AG Resources (India) Private Ltd.	250.55	2%	33.02	1%	0.68	0%	33.70	1%
Personiv Contact Centers India Private Ltd.	485.24	3%	128.26	5%	3.18	1%	131.44	4%
Non controlling Interest								
CLX Thai Company Limited	8.93	0%	2.61	0%	-	0%	2.61	**0%**
AGR Operations Manila Inc	0.02	0%	-	0%	-	0%	-	**0%**
Controlled trust								
eClerx Employee Welfare Trust	(142.32)	-1%	(0.25)	0%	-	0%	(0.25)	**0%**
Adjustment arising out of consolidation	(7,821.25)	-52%	(289.94)	-10%	(15.64)	-3%	(305.58)	**-9%**
Total	**15,017.14**	**100%**	**2,828.21**	**100%**	**481.32**	**100%**	**3,309.53**	**100%**

March 31, 2020

(Rupees in Million)

Name of the Entity	Net assets*	%	Share in Profit or (loss)*	%	Share in other comprehensive income*	%	Share in other comprehensive income*	%
Parent								
eClerx Services Limited	11,113.07	85%	1,235.71	59%	(418.29)	231%	817.42	43%
Subsidiaries								
Foreign								
eClerx LLC	1,229.70	9%	185.17	9%	87.65	-48%	272.82	14%
eClerx Limited	236.95	2%	26.53	1%	7.23	-4%	33.76	2%
eClerx Private Limited	130.99	1%	20.49	1%	5.37	-3%	25.86	1%
eClerx Investments (UK) Limited	1,849.61	14%	41.83	2%	124.54	-69%	166.37	9%
CLX Europe S.P.A	1,582.05	12%	45.93	2%	-	0%	45.93	2%
CLX Europe Media Solution GmbH	252.55	2%	26.99	1%	-	0%	26.99	1%
CLX Europe Media Solution Limited	80.43	1%	2.91	0%	-	0%	2.91	0%
eClerx Canada Limited	3.50	0%	2.15	0%	-	0%	2.15	0%
CLX Thai Company Limited	13.32	0%	(0.24)	0%	-	0%	(0.24)	0%
Non controlling Interest								
CLX Thai Company Limited	6.12	0%	(0.11)	0%	-	0%	(0.11)	0%
Controlled trust								
eClerx Employee Welfare Trust	(142.07)	-1%	(36.41)	-2%	-	0%	(36.41)	-2%
Adjustment arising out of consolidation	(3,287.96)	-25%	538.77	26%	12.63	-7%	551.40	29%
Total	**13,068.26**	**100%**	**2,089.72**	**100%**	**(180.87)**	**100%**	**1,908.85**	**100%**

* the details of net assets and share in profit and loss have been presented before eliminations.

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

As per our report of even date

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

per **Vineet Kedia**
Partner
Membership Number: 212230
Place: Mumbai
Date: June 10, 2021

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

P.D. Mundhra
Executive Director

Biren Gabhawala
Director

Rohitash Gupta
Chief Financial Officer

Pratik Bhanushali
Company Secretary

eClerx Services Limited

CIN: L72200MH2000PLC125319
Registered Office: Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai 400 023, India.
Phone no.: +91 (22) 6614 8301 Fax No: +91 (22) 6614 8655
Email: investor@eClerx.com Website: www.eClerx.com

SHAREHOLDER'S SATISFACTION SURVEY FORM – 2021

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 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.:

Folio No./DP ID/ Client ID:

Kindly put a tick in relevant columns below:

ATTRIBUTES	Please indicate your satisfaction level		
	DELIGHTED	SATISFIED	DISSATISFIED
Transmission/Demat/Remat of shares			
Issue of duplicate share certificates			
Issue of duplicate dividend warrants/ demand drafts			
Dividend through ECS/Demand Drafts			
Responses to queries/complaints			
Interaction with Company/			
Registrar and Transfer Agent personnel			
Presentation of information on			
Company's website			
Quality and Contents of Annual Report 2020-21			
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?			
Give details of outstandinggrievances, if any	☐ YES ☐ NO		
Any suggestions?			

Date

Signature

Disclaimer: eClerx will keep the information provided by you as confidential and it will not be used in any way that is detrimental to you.

ECLERX SERVICES LIMITED

CIN: L72200MH2000PLC125319
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