

## ANNEXURE(S) TO THE NOTICE

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

Name	Anjan Malik	Pradeep Kapoor
DIN	01698542	00053199
Designation	Non-Executive Director	Non-Executive Independent Director - Chairman
Age	50 years	74 years
Profession	Business Executive	Business Executive
Date of first appointment on the Board	May 10, 2000	August 11, 2007
Shareholding in the Company as on the date of this Notice	9,365,204 (26.84%)	7,008 (0.02%)
Qualifications	Bachelor's Degree in Physics, with honours from the Imperial College of Science and Technology, London (UK) and a Masters of Business Administration degree in Finance from the Wharton School of Pennsylvania (USA).	Bachelor's degree in Mechanical Engineering
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 29 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
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.	N.A.
Memberships/Chairmanships held in committees of the Board of other companies	N.A.	N.A.
The number of meetings of the Board attended during the financial year 2019-2020	5 out of 5	5 out of 5
Remuneration last drawn	No remuneration had been paid by the Company, during FY 2019-20.  However, as stated in Notes to Consolidated Financial Statements, he was paid Rs. 13.85 Million (which includes Rs. 6.63 Million of bonus provisions) from eClerx Limited, (U.K.) and Rs. 7.20 Million from eClerx Investments (U.K.) Limited, wholly owned subsidiaries of the Company, during FY 2019-20.	Commission of Rs. 1.90 Million and sitting fees of Rs. 0.30 Million was paid, by the Company during FY 2019-20.

Dear Members,

Your Directors are pleased to present their 20<sup>th</sup> Annual Report along with the audited annual accounts for the financial year ended March 31, 2020.

#### 1. FINANCIAL HIGHLIGHTS

The key aspects of the Company's financial performance for the year ended March 31, 2020 are tabulated below:

(Rupees in Million)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Income from operations	11,201.67	11,398.18	14,375.71	14,305.93
Other Income	540.01	558.25	467.05	485.92
<b>Total Revenue</b>	<b>11,741.68</b>	<b>11,956.43</b>	<b>14,842.76</b>	<b>14,791.85</b>
Operating Expenses	8,797.55	8,851.24	11,140.52	11,229.80
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>2,944.13</b>	<b>3,105.19</b>	<b>3,702.24</b>	<b>3,562.05</b>
<b>EBITDA%</b>	<b>25.07%</b>	<b>25.97%</b>	<b>24.94%</b>	<b>24.08%</b>
Finance costs	176.62	-	188.10	0.39
Depreciation, goodwill & amortisation expenses	445.93	261.55	708.95	446.92
Earnings before Exceptional Items, Interest & Tax	2,321.58	2,843.64	2,805.19	3,114.74
Exceptional Items	488.40	-	-	-
Net Profit before Tax (PBT)	1,833.18	2,843.64	2,805.19	3,114.74
Taxes	597.47	747.51	715.47	831.73
Profit for the year before minority interest	1,235.71	2,096.13	2,089.72	2,283.01
Minority interest	-	-	(0.11)	0.38
<b>Net Profit attributable to shareholders</b>	<b>1,235.71</b>	<b>2,096.13</b>	<b>2,089.83</b>	<b>2,282.63</b>
<b>NPM%</b>	<b>10.52%</b>	<b>17.53%</b>	<b>14.08%</b>	<b>15.43%</b>

#### 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 FY 2019-20 till the date of this Report, which would affect the financial position of the Company.

#### 3. COVID-19 IMPACT

In March 2020, when the COVID-19 pandemic developed into a global crisis, governments started enforcing lock-downs across countries, eventually resulting in stoppage of all economic activity. For the Company, the challenge was to ensure employee safety and to make sure that our employees were equipped to serve our clients. With a focus on employee well-being 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. The Dividend Distribution tax has been abolished w.e.f April 01, 2020 and the dividend income will now be

Sr.No.	Dividend	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13
1	Total Dividend for the year	1.00	1.00	1.00	1.00	35.00	35.00	25.00
2	Dividend as % EPS (Basic)	1.66%	1.8%	1.4%	1.2%	46%	41%	43%
3	Dividend as % Profit After Tax	1.66%	1.8%	1.4%	1.2%	46%	41%	44%
4	Tax Amount (Rs. in Million)	7.60	7.95	8.12	8.36	222.28	179.50	126.93

The Register of Members and Share Transfer Books will remain closed from Friday, September 18, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of ascertaining entitlement for the said dividend. The 20<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, September 29, 2020.

The dividend declared and/or paid by the Company for FY 2019-20 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 8 (eight) subsidiaries including step down subsidiaries and 1 (one) associate company as on March 31, 2020.

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.

The Company's Wholly Owned Subsidiary, eClerx Investments (UK) Limited had incorporated a 100% subsidiary in form of a private limited company at Netherlands, Europe in the name of eClerx B.V. on May 6, 2020. There has been no material change in the nature of the business of subsidiaries and associate company, during the year under review.

taxed only in the hands of the shareholders as per the 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:

Pursuant to Section 136 of the Act, the Financial Statements including Consolidated Financial Statements, along with relevant documents have been hosted on the Company's website [www.eclerx.com](http://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 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
US\$ 0.5-1 Million	21	20	17	14	16
US\$ 1-5 Million	22	18	17	18	17
More than US\$ 5 Million	7	7	6	6	7

## 10. INTERNAL FINANCIAL CONTROLS RELATED TO THE FINANCIAL STATEMENTS

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

Internal Financial Controls (IFC) of the Company 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 your management and key areas are subject to various statutory, internal and operational audits based on periodic risk assessment. The findings of the audits are discussed with the management and key findings are presented before the Audit Committee and Board of Directors for review of actionable items. The review of the IFC, *inter-alia*, consists of the three components of internal controls, viz., Entity level controls, Key financial reporting controls and Internal controls in operational areas. In addition to this, the Company also has an Enterprise Wide Risk Management Framework (EWRM) where the Company has identified and documented risks with respect to financial reporting as well as the controls for such risks. The Internal Auditor of the Company annually 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 01, 2019	38,711,095	387,110,950
Add: Number of shares allotted during FY 2019-20 pursuant to ESOP	18,972	189,720
Less: Shares bought back via "Tender Offer" route during FY 2019-20	1,746,666	17,466,660
Issued, subscribed and paid-up capital as on March 31, 2020	36,983,401	369,834,010

## 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 24<sup>th</sup> Annual General Meeting. Pursuant to the Companies Amendment Act, 2017, their appointment is not subject to annual ratification at the AGM. Accordingly, notice of 20<sup>th</sup> 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 Auditor's Report for the financial year ended March 31, 2020 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, 2020. The report of the Secretarial Auditor is attached as **Annexure-II**. The Secretarial Auditor's 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 (ICS) 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. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2020 in Form MGT-9, in accordance with Section 92 of the Act read with the Companies (Management and Administration) Rules, 2014 is attached as **Annexure-III** and the Annual Return in Form MGT-7 is available on the website of the Company [www.eclerx.com](http://www.eclerx.com).

## 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.

Mr. Pradeep Kapoor (DIN: 00053199), Non-Executive Independent Director of the Company will be attaining 75 (seventy five) years on November 4, 2020 and accordingly, in terms of the provisions of Regulation 17(1A) of the Listing Regulations, approval of the Members is sought for his continuation of Directorship upto March 31, 2024, being the date of expiry of his current term of office. The proposal for this approval is included in the Notice of the AGM.

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 of its 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 there were no existence or anticipation of any circumstances during the year, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

## 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 checklist(s) which was circulated to the Directors covering various evaluation criteria(s), *inter-alia*, modelled on the following factors:

- Accountability towards shareholders;
- Critical review of business strategy;
- Conducive environment for the communication and rigorous decision making;
- Board's focus on wealth maximisation for shareholders;
- Board's ability to demand and foster higher performance;
- Business Continuity preparedness;
- Skill Set and mix thereof among Board members;
- Flow of information so as to enable informed opinions by the Directors;
- Adequacy of meetings of Directors in terms of frequency as well as the time dedicated for discussions and deliberations.

The performance evaluation criteria(s) for the Committees of the Board, was modelled on the following factors:

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

In addition, the Chairman of the Board was also evaluated on the key aspects of his role and the report on his performance evaluation was placed before the separate meeting of the Independent Directors for review. During the year, the separate meeting of Independent Directors was held on May 23, 2019. In this meeting, the performance of the Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Director and Non-Executive Directors. The same was also discussed in the subsequent Nomination and Remuneration Committee Meeting and Board Meeting that followed the meeting of Independent Directors.

## 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, organisational set-up, functioning of various verticals/departments, industry scenario, changes in the regulatory framework and its impact on the business of the Company.

Further, when a new Director is inducted on the Board, the introductory familiarisation program is undertaken, which, *inter-alia*, covers the following:

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

In addition to this, periodic familiarisation 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 familiarisation 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 familiarisation 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:

- a) In the preparation of the annual financial statements for the FY 2019-20, the applicable accounting standards had been

followed along with proper explanation relating to material departures, if any;

- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit or loss of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual financial statements on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. BOARD MEETINGS

During FY 2019-20, 5 (five) 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 FY 2019-20 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, 2020, 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 are in Form AOC-2 given on page no. 32. Further, details with respect to related party transactions are also set out in the Note No. 33 to the Standalone Financial Statements of the Company for the year ended March 31, 2020.

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, 2020, 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, 2020, 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, 2020	Outstanding Balance as at March 31, 2020
eClerx LLC	Sales and Marketing Services	Wholly Owned Subsidiary	Contract of Sales and Marketing	Ongoing	May 20, 2014 / July 31, 2014/ ongoing	1,908.59	887.18 Payable
	Expenses incurred by subsidiary company on behalf of holding company					17.78	
	ITES services by subsidiary company to holding company					28.11	
	Expenses incurred by holding company on behalf of subsidiary					1.48	
	ITES services by holding company to subsidiary company					3.55	

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

Place: Mumbai

Pradeep Kapoor

Date: August 12, 2020

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.

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.

### 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-IV** 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.

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 minimisation 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 FY 2019-20, 2 cases of sexual harassment were reported; all cases have been addressed satisfactorily within the defined timelines. Out of 2 cases, 1 case was resolved through conciliation. There was 1 pending case at the year-end.

### 33. CORPORATE SOCIAL RESPONSIBILITY

During the financial year, the Company had incurred Rs. 70.07 Millions towards CSR expenditure. The Company's CSR policy statement and the Annual Report on CSR activities undertaken during the financial year ended March 31, 2020, in accordance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure-V** to this report.

### 34. AWARDS AND RECOGNITION

The Company was lauded for its work in Robotics Process Automation (RPA) at the NASSCOM Excellence Awards. Our Learning and Development function won two Gold awards at the Brandon Hall Excellence Awards – for the 'Best Use of Games or Simulations for Learning' and for 'Best Customer Service Training Program'. Our Markets team won the CII's National Competition on Learn' and our Analytics function was a winner of the CYPHER Data Science award for 'AI in Travel and Tourism' category. Finally yet importantly, we won Gold for a Chat project in the ASQ South Asian Team Excellence Awards.

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

### 35. REMUNERATION DETAILS PURSUANT TO COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND OTHER APPLICABLE PROVISIONS

- Details of the ratio of the remuneration of each Director to the median employee's remuneration (approx.): Executive Director: 70 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: 4.35%, Chief Financial Officer: 7%, Company Secretary: 7.2%
- The percentage increase in the median remuneration of employees in the financial year: 11.3% - During FY 2019-20, exits were more in comparison to hiring which mainly contributed to high increase in median of remuneration of employees;
- The global headcount of the Company as on March 31, 2020 was more than 8,500;
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and reasons for any exceptional circumstances for increase in managerial remuneration: 7.9% for employees other than senior managerial personnel v/s 7.4% 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:

Particulars	Executive Director	Non-Executive Independent Director	Non-Executive Director
All elements of remuneration package such as salary, benefits, stock options, pension etc. of all Directors.	Annual Gross Salary: Within the range between Rs. 13.80 Million to Rs. 27.60 Million per annum with annual increments effective 1 <sup>st</sup> April each year as may be decided by the Board, based on merits and taking into account the Company's performance for the year. The benefits, perquisites and allowances will be determined by the Board of Directors from time to time.	The Remuneration is paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and such other applicable regulations, subject to an amount of Rs. 2.25 Million p.a.	Nil
Details of fixed component and 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 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	Remuneration will be paid in proportion to the term served in the Company, during the year.	Nil
Service contract, notice period, severance fees.	The tenure will be subject to termination by 3 (three) months prior notice in writing on either side and all other terms are as per the Company policy.	Pursuant to the provisions of the Companies Act, 2013 and other relevant regulations.	
Stock option details.	N.A.	N.A.	N.A.

The details of remuneration paid/payable to Directors for FY 2019-20 are provided in the Corporate Governance Report forming part of this report.

#### 36. EMPLOYEES' STOCK OPTION SCHEME/PLAN

Pursuant to the applicable requirements of the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share Based Employee Benefits) Regulations 2014, your Company had framed and instituted Employee Stock Option Plan 2011 ('ESOP 2011') & Employee Stock Option Plan 2015 ('ESOP 2015') to attract, retain, motivate and reward its employees and to enable them to participate in the growth, development and success of the Company.

An ESOP trust which has been set up under ESOP Scheme 2015, is managed by independent trustee and is authorised for secondary market acquisition. During the year under review, ESOP Trust has 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 under the said ESOP Schemes to its employees and also to employees of its subsidiaries, and the disclosure in compliance with SEBI (Share Based Employee Benefits) Regulations 2014 are available on the Company's website at <https://eclerx.com/investor-relations/financials/>.

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

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

#### 37. HUMAN RESOURCE MANAGEMENT

The Company recognises people development as a key strategic differentiator and invests in multiple high-value learning solutions besides engaging with industry experts, stalwarts from specialised 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 reaffirm their commitments to these standards and a detailed Report on Corporate Governance together with the Auditor's Certificate on its compliance is annexed hereto.

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.

#### 39. SUCCESSION PLANNING

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

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

#### 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

Place: Mumbai  
Date: August 12, 2020

Pradeep Kapoor  
Chairman

