

NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

Dear Member(s)

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), and such other rules and regulations as may be applicable, that the resolutions appended below are proposed to be passed as Special Resolutions by way of Postal Ballot/e-Voting.

The Explanatory Statement pertaining to the said resolutions setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a Postal Ballot Form. The said Special Resolutions and the Explanatory Statement is being sent to you along with a Postal Ballot Form (the "Form") for your consideration.

The Board of Directors of the Company has appointed Ms. Savita Jyoti of M/s. Savita Jyoti Associates, Practicing Company Secretaries as a Scrutinizer to scrutinize the Ballot papers received from the Members and for conducting the Postal Ballot process (including e-Voting) in a fair and transparent manner.

You are requested to carefully read the instructions attached herewith, record your assent (for) or dissent (against) therein by filling necessary details and affixing your signature at the designated place in the Form and return the same in original duly completed in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on Friday, December 19, 2014.

In compliance with the provisions of Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of Listing Agreement, the Company is also offering e-Voting facility as an alternate mode of voting, to its Member who can cast their vote electronically instead of physical submission of the Postal Ballot forms. For this purpose, the Company has signed an agreement with Karvy Computershare Private Limited for facilitating e-Voting platform. Upon completion of the scrutiny of Forms and electronic responses, the Scrutinizer will submit her report to the Chairman of the Company. The results of the Postal Ballot will be announced on Tuesday, December 23, 2014, at 4.00 p.m. at the Registered Office of the Company.

The aforesaid result would be displayed at Registered Office of the Company, intimated to the Stock Exchanges where the shares of the Company are listed, published in the newspapers and displayed along with requisite particulars on the Company's website viz. www.eclerx.com.

The Members are requested to consider and, if thought fit, to pass the following resolutions. The resolutions, if approved, will be taken as passed effectively on the date of declaration of results of Postal Ballot.

SPECIAL BUSINESS:

1. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION OF COMPANY *INTER-ALIA* PURSUANT TO THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 5 and 14 of Companies Act, 2013 ('the Act'), Schedule I made thereunder, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the new set of Articles of Association pursuant to the Act primarily based on the Form of Table F under the Act, be and is hereby approved and adopted as new set of Articles of Association in the place of existing Articles of Association of the Company.

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

RESOLVED FURTHER THAT Mr. V. K. Mundhra, Chairman, Mr. PD Mundhra, Executive Director, Mr. Rohitash Gupta, Chief Financial Officer and Mr. Gaurav Tongia, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s)."

2. AMENDMENT(S) TO MEMORANDUM OF ASSOCIATION OF THE COMPANY

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 13 of Companies Act, 2013 ('the Act'), read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other rules and regulations, as may be applicable, the consent of the Company be and is hereby accorded for alteration of Memorandum of Association of the Company by deleting Clause C – OTHER OBJECTS and accordingly Memorandum of Association will no longer carry Other Objects.

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

RESOLVED FURTHER THAT Mr. V. K. Mundhra, Chairman, Mr. PD Mundhra, Executive Director, Mr Rohitash Gupta, Chief Financial Officer and Mr. Gaurav Tongia, Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution(s).”

3. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF MR. PD MUNDHRA AS WHOLE-TIME DIRECTOR FOR A PERIOD OF 5 YEARS EFFECTIVE APRIL 1, 2015

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and the laws prevailing for the time being and subject to the approval of the Central Government, if required, and such alterations and modifications, if any, that may be effected pursuant to any change in policies, Acts or Laws, guidelines, rules and regulations relating to Managerial Remuneration or in response to any application(s) for review and reconsideration submitted by the Company in that behalf to the concerned authorities, if any, the consent of the Company be and is hereby accorded for reappointment of Mr. PD Mundhra as whole-time Director designated as Executive Director (ED) for the period of Five years, from April 1, 2015 to March 31, 2020, upon the terms and conditions set out in the explanatory statement annexed to this Notice.

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

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

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

By order of the Board of Directors
For eClerx Services Limited

Gaurav Tongia
Company Secretary

Date: October 30, 2014

Registered Office:
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023

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

Item No. 1

The Articles of Association (“AoA”) of the Company is presently in force since its incorporation of the Company i.e. year 2000. The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 (‘New Act’). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on October 30, 2014 decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

Your approval is sought by voting via Postal Ballot/e-Voting in terms of the provisions of *inter-alia*, Section 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

Item No. 2

As per the provisions of section 4 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014 the Memorandum of Association of the Company will no longer carry other objects Clause. However, the existing Memorandum of Association of the Company carries other objects Clause.

In order to comply with section 4 of the Act, it is proposed to alter Memorandum of Association of the Company by deleting Clause C – OTHER OBJECTS and accordingly Memorandum of Association will no longer carry other objects.

The Act provides that resolution for amending Memorandum has to be done via Postal Ballot only. Hence your approval is sought by voting via Postal Ballot/e-Voting in terms of the provisions of Section 13 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014.

A copy of the proposed set of new Memorandum of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.

Item No. 3

Mr. PD Mundhra, aged 41 years, is the Whole-Time Director of the Company. He holds a Bachelor's Degree in Commerce from St. Xavier's College, Kolkata and a Master's Degree in Business Administration with major in finance, from the Wharton School, University of Pennsylvania. As the Promoter Director of the Company, he is responsible for advising and counseling management on corporate decisions, providing strategic guidance and oversight and supervise actively the day to day management and administration of the Company. Mr. PD Mundhra joined the Board in March, 2000. The remuneration payable to him, with effect from April 1, 2007, was determined pursuant to the resolution passed by the shareholders of the Company at its Ninth Annual General Meeting held on August 26, 2009.

Further the present term of Mr. PD Mundhra, Whole-Time Director of the Company expires on March 31, 2015. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on October 30, 2014 approved the terms and conditions (as set out below) of re-appointment of Mr. PD Mundhra, Whole-Time Director designated as Executive Director (ED) of the Company, subject to the approval of the shareholders through Postal Ballot:

1. **Tenure:** April 1st 2015 to March 31st 2020
2. **Nature of Duties:** The ED shall devote his whole-time attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and separately communicated to him and such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interest of the Company.
3. **Remuneration (with effect from April 1, 2015)**
 - (a) Annual Gross Salary: Within the range between Rs. 13,800,000 to Rs. 27,600,000 per annum with annual increments effective 1st April each year as may be decided by the Board, based on merits and taking into account the Company's performance for the year. The benefits, perquisites and allowances will be determined by the Board of Directors from time to time.
 - (b) Other perquisites
 - i. The Annual Performance Bonus subject to maximum of 100% of Annual Gross Salary, payable at such intervals, as may be decided by the Board;
 - ii. Leave Encashment as per the policy of the Company;
 - iii. Gratuity as per the policy of the Company; and
 - iv. Medclaim and Personal Accident Insurance – as per the policy of the Company.
4. **Other terms of appointment:**
 - (a) Mr. PD Mundhra will be entitled to reimbursement of all entertainment, traveling, hotel and other expenses actually incurred for the purpose of business of the Company.
 - (b) He shall not be paid any sitting fees for attending Board/Committee meetings.
 - (c) The Tenure will be subject to termination by 3 months' prior notice in writing on either side.

Memorandum of Interest

None of the Directors, key managerial personnel and their relatives except Mr. PD Mundhra himself and Mr. V. K. Mundhra, being father of Mr. PD Mundhra, are concerned or interested in the said resolution.

The draft Agreement between the Company and Mr. PD Mundhra is available for inspection at the Registered Office of Company on any working day except Saturdays during business hours between 11.00 am to 6.00 pm.

Your approval is sought by voting via Postal Ballot/e-Voting in terms of the provisions of, *inter-alia*, Section 196 and Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

By order of the Board of Directors
For eClerx Services Limited

Gaurav Tongia
Company Secretary

Date: October 30, 2014

Registered Office:
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023