



eClerx Services Limited

CIN: L72200MH2000PLC125319

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

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

Dear Members,

Notice is hereby given, pursuant to Section 110 of the Companies Act, 2013, (“Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (“Rules”) including any statutory modification or re-enactment thereof for the time being in force, and such other applicable provisions, if any, that the resolution(s) appended to this Notice is proposed to be passed as a Special Resolution by way of Postal Ballot/ Remote e-voting.

The Explanatory Statement pursuant to Section 102 of the Act and other applicable legal provisions of the Act pertaining to the said resolution(s) setting out the material facts concerning such item(s) and the reasons thereof are annexed hereto along with a postal ballot form (“Postal Ballot Form”) for your consideration.

The Board of Directors of the Company at their meeting held on December 22, 2017, has subject to the approval of the Members of the Company by way of a special resolution and approval of statutory, regulatory or governmental authorities, as may be required under applicable laws, approved a buyback for an aggregate amount not exceeding Rs. 2,580 Millions (Rupees Two Thousand Five Hundred and Eighty Millions only) (hereinafter referred to as the “Maximum Buyback Size”) and being within 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2017 (being the date of the last audited accounts of the Company), at a price not exceeding Rs. 2,000/- (Rupees Two Thousand only) per Equity Share (hereinafter referred to “Maximum Buyback Price”) from all existing shareholders of the Company on the record date to be determined by Board including any Committee so authorised, on a proportionate basis through “Tender Offer” route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 and amendments (“Buyback Regulations”) and the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment of the Companies Act, 2013 or Buy-back Regulations, for the time being in force). The Maximum Buyback Size, excludes transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty etc. (“Transaction Costs”).

Pursuant to Section 68 (2)(b) of the Companies Act, 2013 read with relevant rules made thereunder, applicable legal provisions and the Articles of Association of the Company, it is necessary to obtain the consent of the Members holding equity shares of the Company by way of a special resolution for the proposed buyback of equity shares. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Rules, the consent of the members is required to be obtained for the buyback by means of a postal ballot. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended below.

Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company has appointed Ms. Savita Jyoti of M/s. Savita Jyoti Associates, Company Secretaries as the Scrutinizer for conducting the Postal Ballot process and remote e-voting in a fair and transparent manner. Upon completion of the scrutiny of Forms and electronic responses, the Scrutinizer will submit her report to the Chairman or any authorised person of the Company. The results of the Postal Ballot along with the Scrutinizer’s report will be announced and displayed on Tuesday, 23rd day of January, 2018 at/before 6.00 p.m. at the Registered Office and the Corporate Office of the Company and intimated to the Stock Exchanges, published in the newspapers and displayed on the Company’s website viz. www.eclerx.com and Karvy’s portal <https://evoting.karvy.com>.

In case of voting by use of physical Ballot Form, please read the instructions printed on the Form, 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. 5.00 p.m. on Monday, 22nd day of January, 2018.

In compliance, inter-alia, with the provisions Sections 108 and 110 of the Act, read with Rule 20 and 22 of the Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide an option of e-voting facility as an alternate mode of voting, to its Members who can cast their vote electronically by way of remote e-voting instead of physical submission of the Form. For this purpose, the Company has availed electronic voting platform of M/s. Karvy Computershare Private Limited (‘Karvy’) for facilitating e-voting. The detailed e-voting instructions have been elaborated under ‘Notes’ section in the Postal Ballot Form.

The Members are requested to consider and, if thought fit, to pass the following resolution(s).

The resolution(s), if passed by requisite majority, shall be deemed to have been passed on the last day specified by the Company for receipt of postal ballot forms and e-voting i.e. Monday, 22nd day of January, 2018.

SPECIAL BUSINESS:

I) APPROVAL FOR BUYBACK OF EQUITY SHARES

To consider and, if thought fit, to pass, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 68, 69 and 70 and all other applicable provisions of the Companies Act, 2013, as amended (the “Companies Act”), the Companies (Share Capital and Debentures) Rules, 2014 (the “Share Capital Rules”) to the extent applicable, and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998, as amended (the “Buyback Regulations”), Article No. 61 of the Articles of Association of the Company and compliance of other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, the consent of Members of the Company be and is hereby accorded for the Buyback of fully paid-up equity shares of the face value of Rs. 10/- each (“Equity Shares”), at a price not exceeding Rs. 2,000/- (Rupees Two Thousand Only) (“Maximum Buyback Price”) per equity share payable in cash for a total consideration not exceeding Rs. 2,580 Millions (Rupees Two Thousand Five Hundred and Eighty Millions only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc., (“Maximum Buyback Size”), which is within 25% of the total paid-up equity capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017, through the “Tender Offer” route as prescribed under the Buyback Regulations (the process being referred hereinafter as “Buyback”), from the equity shareholders / beneficial owners of the equity shares of the Company of face value of Rs. 10/- each as on the record date determined by the Board of Directors (hereinafter referred to as the “Board”, which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised “Committee” or persons nominated by the Board to exercise its powers in relation to the Buyback thereof).

RESOLVED FURTHER THAT such Buyback may be made out of the Company’s free reserves and /or such other sources as may be permitted by applicable law through “Tender Offer” route and as required by the Buyback Regulations and the Companies Act, the Company may buyback Equity Shares from all the existing Members holding Equity Shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT within the Maximum Buyback Price of Rs. 2,000/- per equity share, the Board is authorised to determine the specific price, number of shares and other related particulars at which the Buyback will be made at the time of Public Announcement for Buyback to the eligible shareholders.

RESOLVED FURTHER THAT at the Maximum Buyback Price of Rs. 2,000/- per equity share and for the Maximum Buyback Size not exceeding Rs. 2,580 Millions, the indicative number of Equity Shares that can be bought back would be 1,290,000 fully paid-up Equity Shares, representing 3.24% of the total issued and paid up equity capital of the Company as on March 31, 2017; and in the event the final Buyback price is lower than Rs. 2,000/- per equity share (Maximum Buyback Price), the indicative number of shares shall go up accordingly.

RESOLVED FURTHER THAT the Buyback, to the extent permissible and subject to all applicable legal provisions, be implemented using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/ CFD/ POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, BSE notice no. 20170202-34 dated February 2, 2017 including any amendments or statutory modifications for the time being in force.

RESOLVED FURTHER THAT the Buyback from non-resident Members holding Equity Shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc. shall be subject to Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, the Depository Receipts Scheme, 2014, as applicable, and also subject to such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the Reserve Bank of India (“RBI”) under Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to Buyback any shares and/or impair any power of the Company or the Board to terminate any process in relation to such Buyback if so permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Director(s) / Officer(s) / Authorised Representative(s) / Committee (“Share Buyback Committee”) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalise the terms of the Buyback, including the price per Equity Share, record date, entitlement ratio, the amount

to be utilised towards the Buyback, the number of Equity Shares to be bought back, the source and any other related matter(s), and the time frame therefor, within the statutory limits prescribed by the applicable law and to do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto including but not limited to appointment of Merchant Bankers, Brokers, Bankers, Solicitors, Registrars, Depository Participants and other intermediaries / agencies for the implementation of the Buyback, preparation, signing and filing of all necessary declarations, certificates and reports including from statutory auditors and other third parties as required under applicable law, and such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time and to initiate all necessary action for opening, operations, maintenance and closure of accounts (including but not limited to escrow account, special payment account, demat escrow account etc.), extinguishment of dematerialised shares and physical destruction of share certificates in respect of Equity Shares bought back by the Company as per the Buyback Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements, as well as to give such directions, delegation of authority hereunder, as may be necessary or desirable, and to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the Members shall be deemed to have given their approval expressly by the authority of this resolution.”

By order of the Board of Directors

For **eClerx Services Limited**

Biren Gabhawala

Non-Executive Independent Director

Date: December 22, 2017

Registered Office:

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

CIN: L72200MH2000PLC125319

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

Item No. 1

With an objective of rewarding Members holding Equity Shares of the Company, through return of surplus cash, the Board at its meeting held on December 22, 2017, approved the proposal of recommending buyback of Equity Shares as contained in the resolution(s) in the Notice.

In accordance with applicable provisions of the Companies Act, Share Capital Rules and Buyback Regulations, the Explanatory Statement contains relevant and material information to enable the Members holding Equity Shares of the Company to consider and approve the Special Resolution on the Buyback of the Company’s Equity Shares.

Requisite details relating to the Buyback are given below:

(a) Necessity for the Buyback

- i. The Buyback will help the Company to distribute surplus cash to its Members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as ‘small shareholder’;
- iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- iv. The Buyback gives an option to the Members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy the likely resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment.

(b) Maximum amount required under the Buyback, its percentage of the total paid up capital and free reserves and sources of funds from which the Buyback would be financed

The maximum amount required under the Buyback will not exceed Rs. 2,580 Millions (which is within 25% of the total paid-up equity capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc.

Buyback may be made out of the Company's securities premium account, free reserves and /or such other sources as may be permitted by the Buyback Regulations, the Companies Act and other applicable laws. The Company shall transfer a sum equal to the nominal value of the Equity Shares proposed to be bought back in the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet and Annual Report(s).

(c) Maximum price at which the shares are proposed to be bought back and the basis of arriving at the Buyback price

The Equity Shares are proposed to be bought back at a price not exceeding Rs. 2,000/- (Rupees Two Thousand Only) per Equity Share. The Maximum Buyback Offer Price has been arrived at after considering various factors, including the average closing prices of the Equity Shares of the Company on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (together referred to as the 'Stock Exchanges') where the Equity Shares are listed, the net worth of the Company and the likely impact of the Buyback on the earnings per Equity Share. However, the Board is authorised to determine the specific price, number of shares and other related particulars at which the Buyback will be made at the time of Public Announcement for Buyback to the eligible shareholders.

The Maximum Buyback Offer price of Rs. 2,000/- (Rupees Two Thousand only) per equity share represents a premium of about 63.29% and about 56.37% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for three (3) months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback and about 45.45% and about 45.71% over the volume weighted average price of the Equity Shares on BSE and on NSE respectively for two (2) weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback. As on December 14, 2017, being the date preceding the date of intimation to the Stock Exchanges for the Board meeting, the Maximum Buyback Offer Price of Rs. 2,000/- per Equity Share was at a premium of about 48.31%, 51.07% and 50.40% for the Opening Price, Closing Price and Volume Weighted Average Price, respectively, on NSE and at a premium of about 47.01%, 50.49% and 50.29% for the Opening Price, Closing Price and Volume Weighted Average Price, respectively, on BSE.

(d) Maximum Number of shares that the Company proposes to Buyback and the time limit for completing the Buyback

While the Board of the Company shall decide the final Buyback price, but at the Maximum Buyback Price of Rs. 2,000/- per equity share and for the Maximum Buyback Size not exceeding Rs. 2,580 Millions, the indicative maximum number of Equity Shares that can be bought back would be 1,290,000 fully paid-up Equity Shares, representing 3.24% of the total issued and paid up equity capital of the Company as on March 31, 2017. In case the final Buyback price is lower than Rs. 2,000/- per equity share (Maximum Buyback Price), the indicative maximum number of shares will also go up accordingly.

The Buyback is proposed to be completed within 12 (twelve) months of the date of Special Resolution approving the proposed Buyback.

(e) Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis from all the Members holding Equity Shares of the Company through the "Tender Offer" route, as prescribed under the Buyback Regulations. The Buyback will be implemented in accordance with the Companies Act and the Share Capital Rules to the extent, applicable and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a Record Date for determining the names of the Members holding Equity Shares of the Company who will be eligible to participate in the Buyback. In due course, each shareholder, as on the Record Date, will receive a Letter of Offer along with a Tender / Offer Form indicating the entitlement of the shareholder for participating in the Buyback.

The Equity Shares to be bought back as a part of the buyback is divided in two categories:

- (a) Reserved category for small shareholders; and
- (b) General category for all other shareholders.

As defined in the Buyback Regulations, a 'small shareholder' is a shareholder who holds Equity Shares of the Company having market value, on the basis of closing price of shares, on the recognised stock exchange in which highest trading volume in respect of such Equity Shares as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only).

In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as 'small shareholder'.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose to not participate and enjoy the likely resultant increase in their percentage shareholding, post Buyback, without additional investment. Members holding Equity Shares of the Company may also offer/accept a part of their entitlement. Members also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date. The Equity Shares tendered as per the entitlement by Members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circulars CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, BSE notice no. 20170202-34 dated February 2, 2017 including any amendments thereto, and other relevant rules and regulations.

Subject to shareholders' approval hereunder, detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the Members holding Equity Shares of the Company as on the Record Date.

The Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs), and members of foreign nationality, if any, etc. shall be subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any.

(f) Compliance with the Companies Act, 2013

The total paid-up equity capital and free reserves as at March 31, 2017 is Rs. 10,321.92 Millions. Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 25% of the total paid-up equity capital and free reserves of the Company i.e. Rs. 2,580.48 Millions. The Maximum Buyback Size i.e. Rs. 2,580 Millions (Rupees Two Thousand Five Hundred and Eighty Millions Only) is within the limit of 25% of the Company's total paid-up equity capital and free reserves as per the audited Balance Sheet as at March 31, 2017.

Further, under the Companies Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 9,946,042 Equity Shares. At the Maximum Buyback price and Maximum Buyback size, approximately 1,290,000 fully paid-up Equity Shares, representing 3.24% of the total issued and paid up equity capital of the Company as on March 31, 2017, are proposed to be bought back. In case the final Buyback price is lower than Rs. 2,000/- per equity share (Maximum Buyback Price), the indicative number of shares shall go up accordingly. However, such increased number, if any, will be within the limit of 25% of the total paid-up equity capital of the Company for the financial year ended March 31, 2017.

(g) No defaults

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

(h) Aggregate shareholding of the Promoters of the Company as on the date of this Notice

Shareholding of the Promoters and Promoter Group of the Company

Sr. No.	Name	Category	No. of Equity Shares held	% Holding
1.	Mr. PD Mundhra	Promoter	9,968,997	25.00
2.	Mr. Anjan Malik	Promoter	9,974,701	25.01
3.	Mr. V K Mundhra	Promoter Group	41,977	0.11
4.	Ms. Shweta Mundhra	Promoter Group	300	0.00
5.	Ms. Supriya Modi	Promoter Group	18,282	0.05
6.	Mr. Pawan Malik	Promoter Group	Nil	Nil

Shareholding of Directors and Key Managerial Personnel of the Company:

Sr. No.	Name	Category	No. of Equity Shares held	% Holding
1.	Mr. Pradeep Kapoor	Chairman and Non-Executive Independent Director	7,563	0.02
2.	Mr. PD Mundhra	Executive Director	9,968,997	25.00
3.	Mr. Anjan Malik	Non-Executive Director	9,974,701	25.01
4.	Mr. Biren Gabhawala	Non-Executive Independent Director	6,414	0.02
5.	Mr. Anish Ghoshal	Non-Executive Independent Director	2	0.00
6.	Mr. Alok Goyal	Non-Executive Independent Director	Nil	Nil
7.	Mr. Deepa Kapoor	Non-Executive Independent Director	Nil	Nil
8.	Mr. Shailesh Kekre	Non-Executive Independent Director	Nil	Nil
9.	Mr. Rohitash Gupta	Chief Financial Officer	7,555	0.02

(i) **Aggregate number of equity shares purchased or sold as well as minimum and maximum price at which such purchases and sales were made along with relevant dates by Promoter and Promoter Group for a period of six months preceding the date of the Board Meeting at which the Buyback was approved till the date of this Notice**

No Equity Shares of the Company have been purchased or sold or transferred by Promoters and Promoter group of the Company, during the period of six (6) months preceding the date of the Board Meeting at which the proposal for Buyback was approved and from the date of the Board Meeting till the date of this Notice.

(j) **Intention of the Promoters and Promoter group of the Company to tender equity shares for Buyback indicating the number of shares, details of acquisition with dates and price**

In terms of the Buyback Regulations, under the Tender Offer route, the promoters and promoter group of the Company have the option to participate in the Buyback. The promoters and promoter group of the Company, vide their letter dated December 18, 2017, and December 19, 2017, have expressed their intention to tender their Equity Shares in the Buyback.

The promoters and promoter group mentioned below hereby intend to offer at least such number of shares which is equal to their respective pro rata entitlement under the Buyback.

Details of the date and price of acquisition of the Equity Shares held by Promoters and Promoter Group, who are participating in the Buyback are given below:

I. Mr. PD Mundhra

Date of Acquisition/ Disposal	No. of Shares	Nature of Transaction	Nature of Consideration	Consideration (in Rs.)
24/03/2000	10	Subscription to memorandum	Cash	100.00
30/05/2000	4,980	Allotment	Cash	49,800.00
29/07/2005	154,690	Bonus	Nil	Nil
16/09/2005	244,510	Bonus	Nil	Nil
20/06/2007	(625)	Gift	Nil	Nil
20/06/2007	(625)	Gift	Nil	Nil
20/06/2007	(625)	Gift	Nil	Nil
20/06/2007	(10)	Gift	Nil	Nil
31/08/2007	5,632,270	Bonus	Nil	Nil
20/12/2007	(356,000)	Offer for sale at Initial Public Offer ('IPO')	Cash	112,140,000.00
28/07/2010	2,839,287	Bonus	Nil	Nil
03/06/2011	(600,000)	Sale	Cash	462,294,165.57
05/11/2015	(250,000)	Sale	Cash	435832589.98
21/12/2015	2,555,954	Bonus	Nil	Nil
19/12/2016	(254,819)	Buyback	Cash	509,638,000.00
Total Shareholding	9,968,997			

2. Mr. V K Mundhra

Date of Acquisition/ Disposal	No. of Shares	Nature of Transaction	Nature of Consideration	Consideration (in Rs.)
24/03/2000	10	Subscription to Memorandum	Cash	100.00
29/07/2005	310	Bonus	Nil	Nil
16/09/2005	490	Bonus	Nil	Nil
20/06/2007	625	Gift	Nil	Nil
31/08/2007	20,090	Bonus	Nil	Nil
28/07/2010	10,762	Bonus	Nil	Nil
21/12/2015	10,762	Bonus	Nil	Nil
19/12/2016	(1,072)	Buyback	Cash	2,144,000.00
Total Shareholding	41,977			

Note:

With reference to the issue of bonus shares in December, 2015, the fractional shares viz 4384 Equity Shares so generated were consolidated and allotted to Mr. V K Mundhra who held the same as trustee(s) for the members entitled thereto. The said Equity Shares were then sold at the prevailing market rate and the Company paid net sale proceeds thereof, for distribution to Members in proportion to their fractional entitlements.

3. Mr. Anjan Malik

Date of Acquisition/ Disposal	No. of Shares	Nature of Transaction	Nature of Consideration	Consideration (in Rs.)
30/05/2000	5,000	Allotment	Cash	50,000
29/07/2005	155,000	Bonus	Nil	Nil
16/09/2005	245,000	Bonus	Nil	Nil
11/08/2007	(1,250)	Gift	Nil	Nil
11/08/2007	(625)	Gift	Nil	Nil
11/08/2007	(625)	Gift	Nil	Nil
31/08/2007	5,635,000	Bonus	Nil	Nil
20/12/2007	(356,000)	Offer for sale at IPO	Cash	112,140,000
28/07/2010	2,840,750	Bonus	Nil	Nil
03/06/2011	(600,000)	Sale	Cash	462,242,653.10
05/11/2015	(250,000)	Sale	Cash	435912128.22
21/12/2015	2,557,416	Bonus	Nil	Nil
19/12/2016	(254,965)	Buyback	Cash	509,930,000.00
Total Shareholding	9,974,701			

4. Ms. Shweta Mundhra

Date of Acquisition/ Disposal	No. of Shares	Nature of Transaction	Nature of Consideration	Consideration (in Rs.)
20/06/2007	10	Gift	Nil	Nil
31/08/2007	140	Bonus	Nil	Nil
28/07/2010	75	Bonus	Nil	Nil
21/12/2015	75	Bonus	Nil	Nil
Total Shareholding	300			

5. Ms. Supriya Modi

Date of Acquisition/ Disposal	No. of Shares	Nature of Transaction	Nature of Consideration	Consideration (in Rs.)
20/06/2007	625	Gift	Nil	Nil
31/08/2007	8,750	Bonus	Nil	Nil
28/07/2010	4,687	Bonus	Nil	Nil
21/12/2015	4,687	Bonus	Nil	Nil
19/12/2016	(467)	Buyback	Cash	934,000.00
Total Shareholding	18,282			

(k) Confirmation from the Board of Directors

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

- i. That immediately following the date of the Board Meeting held on December 22, 2017, and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company can be found unable to pay its debts;
- ii. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on December 22, 2017 as well as the year immediately following the date on which the results of the Postal Ballot will be declared, approving the Buyback and having regards to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback or within a period of one year from the date on which the results of the Postal Ballot will be declared, as the case may be;
- iii. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force).

(l) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency:

The text of the Report dated December 22, 2017 received from S. R. Batliboi & Associates LLP, Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

Independent Auditor's Report on buy back of shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended

The Board of Directors
eClerx Services Limited
1st Floor, Sonawala Building
29 Bank Street, Fort Mumbai – 400 023

1. This Report is issued in accordance with the terms of our service scope letter engagement letter dated December 22, 2017 and master engagement agreement dated April 18, 2015 with eClerx Services Limited (hereinafter the "Company").
2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended ("the Regulations"), and in terms of the resolution passed by the directors of the Company in their meeting held on December 22, 2017, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the amount of permissible capital payment (the "Statement"), which we have initialed for identification purposes only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement of determination of the amount of permissible capital payment for the buyback is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Board of Directors are responsible to make a full inquiry into the affairs and prospectus/ offer document of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting.

Auditor's Responsibility

5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
- (i) Whether the amount of capital payment for the buy back is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
 - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule II to the Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of meeting;
 - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 30, 2017. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
- i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements for the year ended March 31, 2017;
 - ii) Examined authorization for buyback from the Articles of Association of the Company;
 - iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
 - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
 - v) Examined that all shares for buy-back are fully paid-up;
 - vi) Examined resolutions passed in the meetings of the Board of Directors;
 - vii) Examined Director's declarations for the purpose of buy back and solvency of the Company;
 - viii) Obtained necessary representations from the management of the Company.

Opinion

10. Based on our examination as above, and the information and explanations given to us, in our opinion,
- (i) the Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view properly determined in accordance with Section 68 of the Act; and
 - (ii) the Board of Directors, in their meeting held on December 22, 2017, have formed the opinion, as specified in clause (x) of Part A of Schedule II of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the meeting and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, 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 for any other purpose or to any other person to whom this report 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: I01049W/E300004

per Amit Majmudar

Partner

Membership Number: 36656

Place of Signature: Mumbai

Date: December 22, 2017

Annexure A

Computation of amount of permissible capital payment towards buy back of equity shares in accordance with proviso to section 68 (2) of the Companies Act, 2013 and Regulation 4 (1) (a) of the Buy Back Regulations based on the audited standalone financial statements for the year ended March 31, 2017

Particulars as on March 31, 2017			Amount (Rs. in million)
Paid up equity share capital	A		397.84
<u>Free reserves:</u>			
Surplus in the statement of profit and loss		9,792.77	
Securities premium		131.31	
Total free reserves	B		9,924.08
Total paid up capital and free reserves	(A+B)		10,321.92
Permissible capital payment (25% of the paid up capital and free reserves)			2,580.48

Unquote

(m) As per the provisions of the Buyback Regulations and the Companies Act

- i. The Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback;
- ii. The Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of its subsisting obligations;
- iii. The special resolution approving the Buyback will be valid for a maximum period of one year from the date of passing the said special resolution (or such extended period as may be permitted under the Companies Act or the Buyback Regulations or by the appropriate authorities). The Schedule of Activities for the Buyback shall be decided by the Board of Directors within the above time limits;
- iv. The equity shares bought back by the Company will be compulsorily cancelled and will not be held for re-issuance;
- v. The Company shall not withdraw Buyback after the public announcement of the offer to Buyback is made;
- vi. The Company shall not Buyback locked-in equity shares and non-transferable equity shares till the pendency of the lock-in or till the equity shares become transferable; and

- vii. The Company confirms that as required under Section 68(2)(d) of the Companies Act, 2013, the debt equity ratio of aggregate of secured and unsecured debts owed by the Company shall not be more than twice the equity share capital and free reserves after the Buyback.

For any clarifications related to the Buyback process, the shareholders may contact any one of the following:

- 1) Company: eClerx Services Limited
Contact Person: Mr. Rohitash Gupta, Chief Financial Officer
Tel: +91-22-6614 8301; Fax: +91-22-6614 8655; Email: investor@eclerx.com
- 2) Emkay Global Financial Services Limited (Manager to the Buyback):
Contact Person: Mr. Rajesh Ranjan/ Mr. Deepak Yadav, Tel : +91 66121212; Fax : +91 66121355;
Email: eclerx.buyback@emkayglobal.com

A copy of the Notice is also available on the website of the Company, at www.eclerx.com, website of M/s. Karvy Computer Share Private Limited at www.karvy.com, website of the National Stock Exchange of India Limited, at www.nseindia.com and BSE Limited, at www.bseindia.com.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its Members holding Equity Shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.

None of the Directors or any key managerial personnel of the Company including their relatives are, in anyway, concerned or interested, financially or otherwise, in passing of the proposed resolution, save and except to the extent of their shareholding in the Company, if any.

By order of the Board of Directors
For **eClerx Services Limited**

Biren Gabhawala
Non-Executive Independent Director

Date: December 22, 2017

Registered Office:

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

CIN: L72200MH2000PLC125319

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