**eClerx LLC**
**Balance Sheet as at 31 March 2019**

| | Notes | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,376,040 | 1,026,609 |
| Capital work in progress | 3 | - | 11,907 |
| Intangible assets | 4 | 1,004,720 | 1,234,494 |
| Financial assets | | | |
| Other financial assets | 7 | 33,490 | 12,445 |
| Deferred tax assets (net) | 17 | 86,358 | 57,701 |
| | | **2,500,608** | **2,343,156** |
| **Current assets** | | | |
| Financial assets | | | |
| Trade receivables | 5 | 9,874,363 | 9,216,051 |
| Cash and cash equivalents | 6.a. | 3,277,954 | 1,799,190 |
| Other bank balances | 6.b. | 200,279 | 200,251 |
| Other financial assets | 7 | 1,432,687 | 2,245,521 |
| Other current assets | 8 | 165,421 | 145,405 |
| Current tax assets (net) | | | 94,537 |
| | | **14,950,704** | **13,700,955** |
| **Total assets** | | **17,451,312** | **16,044,111** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 9 | 100 | 100 |
| Contribution from Holding Company | 10 | 1,719,453 | 1,554,231 |
| Other equity | 11 | 11,790,913 | 10,048,892 |
| **Total equity** | | **13,510,466** | **11,603,223** |
| **Non-current liabilities** | | | |
| Other non-current liabilities | 13 | 181,160 | 64,136 |
| Employee Benefit Obligations | | 188,885 | - |
| | | **370,045** | **64,136** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 14 | 147,397 | 679,886 |
| Other financial liabilities | 15 | 1,356,840 | 1,449,584 |
| Other current liabilities | 16 | 524,747 | 10,935 |
| Employee benefit obligations | 12 | 1,119,104 | 2,236,347 |
| Current tax liabilities | | 422,713 | - |
| | | **3,570,801** | **4,376,752** |
| **Total equity and liabilities** | | **17,451,312** | **16,044,111** |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx LLC**

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx LLC**

**Statement of Profit and Loss for the year ended 31 March 2019**

| | Notes | For the year ended 31 March 2019<br>Amount in USD | For the year ended 31 March 2018<br>Amount in USD |
|---|---|---|---|
| Revenue from operations | 18 | 41,099,935 | 33,390,045 |
| Government grant for export | | 1,920 | 3,689 |
| Other income | 19 | 4,231 | 9,383 |
| **Total income** | | **41,106,086** | **33,403,117** |
| **Expenses** | | | |
| Employee benefits expense | 20 | 25,867,882 | 20,246,173 |
| Cost of technical sub-contractors | | 4,782,169 | 5,345,851 |
| Depreciation and amortisation expense | 21 | 931,533 | 824,999 |
| Other expense | 22 | 7,263,811 | 5,633,725 |
| **Total expense** | | **38,845,395** | **32,050,748** |
| **Profit before tax** | | **2,260,691** | **1,352,369** |
| **Tax expense** | | | |
| Current tax | 17 | | |
| Pertaining to current year | | 697,882 | 565,824 |
| Adjustments in respect of current income tax of previous years | | (135,685) | - |
| Deferred tax | 17 | (28,656) | (67,973) |
| **Income tax expense** | | **533,541** | **497,851** |
| **Profit / (Loss) for the year** | | **1,727,150** | **854,518** |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive income for the year, net of tax** | | **1,727,150** | **854,518** |
| **Earnings per equity share (in USD)** | | | |
| Basic (Face value of USD 1 each) | 23 | 17,271.50 | 8,545.18 |
| Diluted (Face value of USD 1 each) | 23 | 17,271.50 | 8,545.18 |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx LLC**

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx LLC**
**Statement of cash flows for the year ended 31 March 2019**

| | Notes | 31 March 2019<br>Amount in USD | 31 March 2018<br>Amount in USD |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before tax | | 2,260,691 | 1,352,369 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation of property, plant and equipment | 21 | 683,192 | 479,224 |
| Amortisation of intangible assets | 21 | 248,341 | 345,775 |
| Share-based payment expense | 20 | 165,222 | 395,125 |
| Interest income | 19 | (83) | (69) |
| Profit on sale of property, plant and equipment | 19 | - | (393) |
| | | **3,357,363** | **2,572,031** |
| **Working capital adjustments:** | | | |
| Increase / (Decrease) in employee benefit obligations | | (928,358) | 804,663 |
| (Increase) / Decrease in trade receivables | | (658,312) | (2,989,874) |
| (Increase) / Decrease in other financial assets and other assets | | 771,773 | (1,654,507) |
| Increase / (Decrease) in trade payables, other current and non current liabilities and financial liabilities | | 5,603 | 1,483,189 |
| **Cash generated by / (used in) operating activities** | | **2,548,069** | **215,502** |
| Income tax paid / received (net of refunds) | | (30,077) | 224,256 |
| **Net cash flows from / (used in) operating activities** | | **2,517,992** | **439,758** |
| **Investing activities** | | | |
| Payment of acquisition of business, net of cash acquired | | - | (1,055,573) |
| Purchase of property, plant and equipment (including capital work in progress) | | (1,039,283) | (960,925) |
| Sale of property, plant and equipment | | - | 500 |
| Increase in deposits with the bank | | (28) | 14,002 |
| Interest received (finance income) | | 83 | 27 |
| **Net cash flows used in investing activities** | | **(1,039,228)** | **(2,001,969)** |
| **Net increase / (decrease) in cash and cash equivalents** | | **1,478,764** | **(1,562,211)** |
| Cash and cash equivalents at the beginning of the year | | 1,799,190 | 3,361,401 |
| **Cash and cash equivalents at the year end** | | **3,277,954** | **1,799,190** |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx LLC**

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx LLC**
**Statement of changes in equity for the year ended 31 March 2019**

**a. Equity share capital**

| | No. of shares | Share Capital |
|---|---|---|
| | | Amount in USD |
| Equity shares of USD 1 each, subscribed and fully paid | | |
| **As at 1 April 2017** | 100 | 100 |
| **As at 31 March 2018** | 100 | 100 |
| **As at 31 March 2019** | 100 | 100 |

**b. Other equity**

| **For the year ended 31 March 2019** | | **Reserves and Surplus** | | | **Amount in USD** |
|---|---|---|---|---|---|
| **Particulars** | **Contribution from Holding Company** | **Securities premium account** | **Capital reserve** | **Retained earnings** | **Total equity attributable to equity share holders of the Company** |
| **As at 1 April 2018** | 1,554,231 | 29,190 | 100 | 10,019,602 | 11,603,123 |
| Stock compensation charge / (credit) | 165,222 | - | - | - | 165,222 |
| Tax credit on exercise of options | - | - | - | 14,871 | 14,871 |
| Profit / (Loss) for the year | - | - | - | 1,727,150 | 1,727,150 |
| **As at 31 March 2019** | **1,719,453** | **29,190** | **100** | **11,761,623** | **13,510,366** |

| **For the year ended 31 March 2018** | | **Reserves and Surplus** | | | **Amount in USD** |
|---|---|---|---|---|---|
| **Particulars** | **Contribution from Holding Company** | **Securities premium account** | **Capital reserve** | **Retained earnings** | **Total equity attributable to equity share holders of the Company** |
| **As at 1 April 2017** | 1,159,106 | 29,190 | 100 | 8,560,965 | 9,749,361 |
| Stock compensation charge / (credit) | 395,125 | - | - | - | 395,125 |
| Tax credit on exercise of options | | | | 604,119 | 604,119 |
| Profit / (Loss) for the year | - | - | - | 854,518 | 854,518 |
| **As at 31 March 2018** | **1,554,231** | **29,190** | **100** | **10,019,602** | **11,603,123** |

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

**For and on behalf of the Board of Directors**
**of eClerx LLC**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Joseph A. Menard**
Director

### 1. Corporate information

eClerx LLC ("the Company") was incorporated on March 06, 2002 in the state of Texas, United States of America. With effect from April 1, 2007 it became a 100% subsidiary of eClerx Services Limited, a Company incorporated in India. eClerx LLC is a specialist Knowledge and Business Process Outsourcing ("KPO / BPO") Company providing operational support, data management, and analysis solutions and sales and marketing support services to its clients.

### 2.A. Significant accounting policies

#### 2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value :

• Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
• Share based payments

However, as these financial statements are not statutory financial statements, full compliance with the Companies Act, 2013 is not required and so they do not reflect all disclosure requirements of the Companies Act, 2013.

#### 2.2. Summary of significant accounting policies

#### a. Business combinations

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method - wherein:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) The excess, if any, in the value of net assets and reserves to be vested in the transferee company, would be credited to the 'Capital Reserve Account'.

(c) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

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

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

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

**b. Foreign currencies**

The Company’s financial statements are presented in USD, which is also the Company’s functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

**c. Fair value measurement**

The Company measures financial instruments, at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

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

**d. Revenue recognition**

**Ind AS 115 Revenue from Contracts with Customers**

**Revenue recognition:**

Effective April 1, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method. The standard is applied only to contracts that are not completed as at the date of initial application of the standard i.e. April 1, 2018 and the comparative information is not restated in the standalone financial statements. The impact of the adoption of the standard on the standalone financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Arrangement with customers for services rendered by the Company are either on time and material or on fixed price basis. Revenue from contracts on time-and-material basis is recognised as the related services are performed. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and other variable considerations, if any, as specified in the contracts with the customers.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenue net of indirect taxes in its standalone statement of profit and loss.

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Advance billing is shown as contract liabilities under other current financial liabilities. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed period.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the benefit period.

**e. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in United States of America where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

• When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

**f. Property, plant and equipment**

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

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

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

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

The Company provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down Value method. The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

| Block of assets | Estimated useful life (in years) |
|---|---|
| Office equipment | 5 |
| Furniture and fixtures | 10 |
| Computers | 3-6 |
| Leasehold improvements | Lease term |

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

**g. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gain or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

| Block of assets | Estimated useful life (in years) |
|---|---|
| Computer software | 1-5 |
| Customer relationships | 9 years |

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

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

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

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

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**k. Retirement and other employee benefits**
The Company has a saving and investment plan under section 401(k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Contributions are charged to the statement of profit and loss in the period in which employees render the related services.

**l. Share - based payments**
Employees of the Company receive from the Holding Company, eClerx Services Limited, remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in 'Contribution from Holding Company' in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

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

**Financial assets**
***Initial recognition and measurement***
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

***Subsequent measurement***
For purposes of subsequent measurement financial assets are classified into three categories:
• Financial assets at fair value through OCI
• Financial assets at fair value through profit or loss
• Financial assets at amortised cost

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

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

**Derecognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**
The Company assesses impairment based on expected credit losses (ECL) model to the following:
• Financial assets measured at amortised cost; and
• Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses (ECL) are measured through a loss allowance at an amount equal to:
• the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
• full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**
***Initial recognition and measurement***
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

***Subsequent measurement***

The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ('EIR') method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**n. Cash and cash equivalents**

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

**o. Earnings per share**

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

**2.B. Fair values**

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has no financial assets and financial liabilities which are measured at fair value through profit or loss.

**2.C. Significant accounting judgements, estimates and assumptions**

The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**b. Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

## 3. Property, plant and equipment

| | Computer hardware | Leasehold improvements | Furniture & fixtures | Office equipments | Total |
|---|---|---|---|---|---|
| | Amount in USD | Amount in USD | Amount in USD | Amount in USD | Amount in USD |
| **Cost** | | | | | |
| **As at 1 April 2017** | **917,678** | **95,018** | **57,498** | **320,018** | **1,390,212** |
| Additions | 524,691 | 62,491 | 83,058 | 149,716 | **819,956** |
| Disposals | 1,927 | - | - | - | **1,927** |
| **As at 31 March 2018** | **1,440,442** | **157,509** | **140,556** | **469,734** | **2,208,241** |
| Additions | 595,172 | 25,884 | 87,024 | 324,543 | **1,032,623** |
| Disposals | | - | - | - | **-** |
| **As at 31 March 2019** | **2,035,614** | **183,393** | **227,580** | **794,277** | **3,240,864** |
| **Depreciation and impairment** | | | | | |
| **As at 1 April 2017** | **426,534** | **54,368** | **20,848** | **202,478** | **704,228** |
| Depreciation charge for the year | 319,249 | 35,006 | 25,713 | 99,256 | **479,224** |
| Disposals | 1,820 | - | - | - | **1,820** |
| **As at 31 March 2018** | **743,963** | **89,374** | **46,561** | **301,734** | **1,181,632** |
| Depreciation charge for the year | 461,685 | 27,292 | 36,408 | 157,807 | **683,192** |
| Disposals | | - | - | - | **-** |
| **As at 31 March 2019** | **1,205,648** | **116,666** | **82,969** | **459,541** | **1,864,824** |
| **Net Book Value** | | | | | |
| **As at 31 March 2019** | **829,966** | **66,727** | **144,611** | **334,736** | **1,376,040** |
| **As at 31 March 2018** | **696,479** | **68,135** | **93,995** | **168,000** | **1,026,609** |

**Capital work in progress**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Leasehold improvements | - | - |
| Furniture & fixtures | - | - |
| Office equipments | | 11,907 |
| **Total** | **-** | **11,907** |

## 4. Intangible assets

| | Computer software | Customer relationships | Goodwill | Total |
|---|---|---|---|---|
| | Amount in USD | Amount in USD | Amount in USD | **Amount in USD** |
| **Cost** | | | | |
| **As at 1 April 2017** | **339,746** | **-** | **-** | **339,746** |
| Additions | 242,136 | 372,370 | 683,203 | **1,297,709** |
| Disposals | - | - | - | **-** |
| **As at 31 March 2018** | **581,882** | **372,370** | **683,203** | **1,637,455** |
| Additions | 18,567 | | | **18,567** |
| Disposals | - | - | - | **-** |
| **As at 31 March 2019** | **600,449** | **372,370** | **683,203** | **1,656,022** |
| **Amortization and impairment** | | | | |
| **At 1 April 2017** | **57,186** | **-** | **-** | **57,186** |
| Amortisation charge for the year | 325,031 | 20,744 | - | **345,775** |
| Disposals | - | - | - | **-** |
| **At 31 March 2018** | **382,217** | **20,744** | **-** | **402,961** |
| Amortisation charge for the year | 206,967 | 41,374 | | **248,341** |
| Disposals | - | - | - | **-** |
| **At 31 March 2019** | **589,184** | **62,118** | **-** | **651,302** |
| **Net Book Value** | | | | |
| **At 31 March 2019** | **11,265** | **310,252** | **683,203** | **1,004,720** |
| **At 31 March 2018** | **199,665** | **351,626** | **683,203** | **1,234,494** |

## Financial assets

### 5. Trade receivables

| | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| Trade receivables | 2,293,928 | 1,333,647 |
| Receivables from other related parties | 7,580,435 | 7,882,404 |
| **Total trade receivables** | **9,874,363** | **9,216,051** |

| | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| **Outstanding for a period exceeding six months from the date they are due for payment** | | |
| Unsecured, considered good | - | - |
| **Other receivables** | | |
| Unsecured, considered good | 9,874,363 | 9,216,051 |
| Impairment allowance | - | - |
| **Total trade receivables** | **9,874,363** | **9,216,051** |

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

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

| **6.a. Cash and cash equivalents** | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| Balances with banks: | | |
| In current accounts | 3,277,954 | 1,799,190 |
| | **3,277,954** | **1,799,190** |

### 6.b. Other bank balances

| | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| Interest receivable | 50 | 50 |
| Earmarked bank balances with bank | 200,229 | 200,201 |
| | **200,279** | **200,251** |
| | **3,478,233** | **1,999,441** |

Cash at bank earns interest at floating rates based on the daily bank deposit rates and the daily balances.
The time deposits earn interest at the respective deposit rates.

## 7. Other financial assets

| | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| **Non-current** | | |
| Corporate premises rent deposits | 33,490 | 12,445 |
| | **33,490** | **12,445** |
| **Current** | | |
| Unbilled revenue | 668,195 | 1,364,854 |
| Staff accomodation rent deposits | 8,659 | 2,650 |
| Other advances | 755,833 | 878,017 |
| | **1,432,687** | **2,245,521** |
| | **1,466,177** | **2,257,966** |

### Break up of financial assets carried at amortised cost

| | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| Trade receivables (refer note 5) | 9,874,363 | 9,216,051 |
| Cash and cash equivalents and other bank balances (refer note 6) | 3,478,233 | 1,999,441 |
| Other financial assets (refer note 7) | 1,466,177 | 2,257,966 |
| **Total financial assets carried at amortised cost** | **14,818,773** | **13,473,458** |

## 8. Other current assets

| | As at 31 March 2019 Amount in USD | As at 31 March 2018 Amount in USD |
|---|---|---|
| Prepaid expenses | 165,421 | 116,139 |
| Lease equalisation reserve | - | 29,266 |
| | **165,421** | **145,405** |

## 9. Share capital

**Authorised share capital**

| | Equity shares | |
|---|---|---|
| | **As at 31 March 2019** | **As at 31 March 2018** |
| **Authorized share capital** | | |
| 100 (31 March 2018: 100) shares of USD 1 each | 100 | 100 |
| **Issued, subscribed and fully paid up** | | |
| 100 (31 March 2018: 100) shares of USD 1 each | 100 | 100 |
| | **100** | **100** |

**Terms / rights attached to equity shares**
The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per equity share.

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

| **Name of the shareholder** | **As at 31 March 2019** | | **As at 31 March 2018** | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| eClerx Services Limited | 100 | 100% | 100.00 | 1 |

## 10. Contribution from Holding Company

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| **ESOP charge from Holding Company** | | |
| Balance, beginning of the year | 1,554,231 | 1,159,106 |
| Charge for the year (refer note 20) | 165,222 | 395,125 |
| **Balance, end of the year** | **1,719,453** | **1,554,231** |

## 11. Other equity

**Securities premium**

| | Amount in USD |
|---|---|
| **As at 1 April 2017** | **29,190** |
| **As at 31 March 2018** | **29,190** |
| **As at 31 March 2019** | **29,190** |

**Capital reserve**

| | Amount in USD |
|---|---|
| **As at 1 April 2017** | **100** |
| **As at 31 March 2018** | **100** |
| **As at 31 March 2019** | **100** |

**Retained earnings**

| | Amount in USD |
|---|---|
| **As at 1 April 2017** | **8,560,965** |
| Add: Profit / (Loss) during the year | 854,518 |
| Add: Tax credit on exercise of options | 604,119 |
| **As at 31 March 2018** | **10,019,602** |
| Add: Tax credit on exercise of options | 14,871 |
| Add: Profit during the year | 1,727,150 |
| **As at 31 March 2019** | **11,761,623** |

**Other reserves**

| | **As at 31 March 2019** Amount in USD | **As at 31 March 2018** Amount in USD |
|---|---|---|
| Securities premium account | 29,190 | 29,190 |
| Capital reserve | 100 | 100 |
| Retained earnings | 11,761,623 | 10,019,602 |
| | **11,790,913** | **10,048,892** |

### 12. Employee benefit obligations

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| **Current** | | |
| Incentive to employees | 1,119,104 | 2,236,347 |
| | **1,119,104** | **2,236,347** |

### 13. Other non-current liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Lease equalisation reserve | 181,160 | 64,136 |
| | **181,160** | **64,136** |

### 14. Trade payables

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Trade payables | 8,138 | 9,200 |
| Trade payables to related parties | 139,259 | 670,686 |
| | **147,397** | **679,886** |

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions with related parties, refer note 25.
- For explanations on the Company's credit risk management processes, refer note 27.
- Trade payables are measured at amortised cost.

### 15. Other financial liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Accrued expenses | 1,147,122 | 1,375,896 |
| Payables for capital expenditure | 49,990 | 49,990 |
| Advance billing | 159,728 | 23,698 |
| | **1,356,840** | **1,449,584** |

| **Break up of financial liabilities at amortised cost** | | |
|---|---|---|
| Other financial liabilities (refer note 15) | 1,356,840 | 1,449,584 |
| Trade payables (refer note 14) | 147,397 | 679,886 |
| | **1,504,237** | **2,129,470** |

### 16. Other current liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Taxes and other liabilities | 502,143 | 10,935 |
| Lease equalisation reserve | 22,604 | - |
| | **524,747** | **10,935** |

**17. Income taxes**

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

**Statement of profit and loss:**
**Profit or loss section**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| **Current Income tax:** | | |
| Current income tax charged | 697,882 | 565,824 |
| Adjustment in respect of current income tax of previous years | (135,685) | - |
| Deferred tax | (28,656) | (67,973) |
| **Income tax expense reported in the statement of profit or loss** | **533,541** | **497,851** |

**Reconciliation of tax expense and the accounting profit multiplied by tax rate for 31 March 2019 and 31 March 2018:**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Accounting profit before income tax | 2,260,691 | 1,352,369 |
| At tax rate of 29.60% (31 March 2018: 36.81%) | 669,226 | 497,851 |
| Adjustments in respect of current income tax of previous years | (135,685) | - |
| Income tax expense reported in the statement of profit and loss at the effective income tax rate of 23.60% (31 March 2018: 36.81%) | 533,541 | 497,851 |

**Deferred tax:**
**Deferred tax relates to the following:**

| | Balance Sheet | | Profit & Loss | |
|---|---|---|---|---|
| | As at 31 March 2019 | As at 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | Amount in USD | Amount in USD | Amount in USD | Amount in USD |
| Accelerated depreciation for tax purposes | (265,348) | (192,946) | 72,402 | (105,281) |
| Prepaid expenses | (34,738) | (24,389) | 10,349 | (25,931) |
| Expenses available for offsetting against future taxable income | 386,443 | 275,036 | (111,407) | 63,239 |
| **Deferred tax expense/(income)** | | | **(28,656)** | **(67,973)** |
| **Net deferred tax assets/(liabilities)** | **86,357** | **57,701** | | |

Reflected in the balance sheet as follows:

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Deferred tax assets | 386,443 | 275,036 |
| Deferred tax liabilities | (300,086) | (217,335) |
| **Deferred tax assets/(liabilities), net** | **86,357** | **57,701** |

**Reconciliation of deferred tax assets / (liabilities) (net):**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Opening balance | 57,701 | (10,272) |
| Tax income/(expense) during the period recognised in profit or loss | 28,656 | 67,973 |
| **Closing balance** | **86,357** | **57,701** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**18. Revenue from operations**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Sale of services | 41,099,935 | 33,390,045 |
| | **41,099,935** | **33,390,045** |

The Company derives revenues primarily from Sales & marketing, Consulting and ITeS services.

Effective 1 April 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Arrangements with customers for ITeS related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under IndAS115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized rateably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as are deduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount there of cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet date.

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues for the year ended 31 March 2019 and 31 March 2018 are as follows: **Amount in USD**

| **Particulars** | **Year ended 31 March** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue from Sales & marketing, Consulting and ITeS services | 41,099,935 | 33,378,795 |
| Revenue from software development, licensing of software products & related services | - | 11,250 |
| **Total revenue from operations** | **41,099,935** | **33,390,045** |

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended 31 March 2019 — **Amount in USD**

| **Particulars** | **Total** |
|---|---|
| **Revenues by Geography** | |
| Asia Pacific | 27,083,371 |
| United States of America | 14,021,662 |
| Europe | 667 |
| United Kingdom | (5,765) |
| **Total** | **41,099,935** |
| **Revenues by contract type** | |
| Fixed Price | 121,920 |
| Time & Materials | 40,978,015 |
| **Total** | **41,099,935** |

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

**Amount in USD**

| **Particulars** | **Year ended 31 March,** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue as per contracted price | 41,123,219 | 33,443,959 |
| **Adjustments:** | | |
| Discount | 23,284 | 53,914 |
| **Revenue from contract with customers** | **41,099,935** | **33,390,045** |

**Trade Receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.
During the year ended 31 March 2019 , the company recognized Nil revenue arising from opening unearned revenue as of 1 April 2018.

During the year ended 31 March 2019 , USD 7,333 of unbilled revenue pertaining to fixed price development contracts as of 1 April 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts:
a) where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis and;
b) where the performance obligation is part of a contract that has an original expected duration of one year or less.
Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019, other than those meeting the exclusion criteria mentioned above, is USD 245,077. Out of this, the Company expects to recognize revenue of around USD 235,077 within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended 31 March 2019 and as at 31 March 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of USD 660,861 as at 31 March 2019 has been considered as a Non financial asset.

**19. Other income**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Gain on foreign exchange fluctuation (net) | - | 1,110 |
| Interest income on fixed deposits | 83 | 69 |
| Gain on sale of property, plant and equipment | - | 393 |
| Miscellaneous income | 4,148 | 7,811 |
| | **4,231** | **9,383** |

**20. Employee benefits expense**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Salaries, wages and bonus | 24,688,402 | 19,168,765 |
| Contribution to 401(k) fund | 1,001,250 | 682,283 |
| Employee stock compensation charge / (credit) | 165,222 | 395,125 |
| Staff Welfare | 13,008 | - |
| | **25,867,882** | **20,246,173** |

## 21. Depreciation and amortisation expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Depreciation of tangible assets (refer note 3) | 683,192 | 479,224 |
| Amortization of intangible assets (refer note 4) | 248,341 | 345,775 |
| | **931,533** | **824,999** |

## 22. Other expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in USD | Amount in USD |
| Travelling expenses | 2,172,385 | 1,940,268 |
| Office base rentals | 1,236,756 | 868,620 |
| Legal and professional charges | 1,198,382 | 700,655 |
| Communication expenses | 576,679 | 490,618 |
| Business promotion | 505,213 | 426,938 |
| Computer and electrical consumables | 451,853 | 357,801 |
| Subscription & membership fees | 448,990 | 357,575 |
| Office expenses | 245,997 | 288,456 |
| Rates and taxes | 1,017 | 33,258 |
| Electricity | 43,930 | 32,846 |
| Repairs and maintenance | | |
| Building | 2,068 | - |
| Others | 95,469 | 32,021 |
| Other insurance | 12,796 | 30,602 |
| Printing and stationery | 34,608 | 28,030 |
| Security charges | 55,712 | 20,756 |
| Donation | 5,196 | 10,304 |
| Bank charges | 6,352 | 9,085 |
| Accounts receivable processing charges | 20,425 | 5,892 |
| Loss on foreign exchange fluctuation (net) | 115,842 | - |
| House keeping services | 33,080 | - |
| Miscellaneous expenses | 1,061 | |
| | **7,263,811** | **5,633,725** |

### 23. Earnings per share (EPS)

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

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

| | **31 March 2019** | **31 March 2018** |
|---|---|---|
| | Amount in USD | Amount in USD |
| Profit attributable to equity holders | 1,727,150 | 854,518 |
| Weighted average number of equity shares for - | | |
| Basic EPS | 100 | 100 |
| Diluted EPS | 100 | 100 |
| **Earnings per equity share (in USD)** | | |
| Basic | 17,271.50 | 8,545.18 |
| Diluted | 17,271.50 | 8,545.18 |

### 24. Commitments

**Operating lease commitments — Company as lessee**

The Company has entered into operating leases for office facilities and residential premises for employees, which include leases that are renewable on a yearly basis, cancellable at its option and other long term leases.

| | **31 March 2019** | **31 March 2018** |
|---|---|---|
| | Amount in USD | Amount in USD |
| Lease payments recognised in the statement of profit and loss | 1,236,756 | 868,620 |
| **Future minimum lease payments for non-cancellable operating leases** | | |
| Within one year | 734,757 | 389,819 |
| After one year but not more than five years | 2,763,330 | 385,425 |
| **Total** | **3,498,087** | **775,244** |

## 25. Related party transactions
### A. Related Parties and Key Management Personnel

**Name of related party and related party relationship**

**Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013**

**(a) Where control exists:**

1. eClerx Services Limited (Holding Company)

**Key Management Personnel:**

1. Anjan Malik (Director)
2. Joseph A. Menard (Director)

**(b) Related party under IND AS 24 - Related party disclosures and as per Companies Act, 2013 with whom transactions have been taken place during the year:**

Fellow Subsidiary:
1. eClerx Private Limited
2. eClerx Limited

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

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

| Name | Nature of Transaction | Transactions during the year | | Outstanding balance as at | |
|---|---|---|---|---|---|
| | | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | | Amount in USD | Amount in USD | Amount in USD | Amount in USD |
| eClerx Services Limited | Income from operations | 24,672,763 | 24,672,763 | 7,837,499 Receivable | 7,837,499 Receivable |
| | Subcontract charges | 502,303 | 671,861 | | |
| | Expenses incurred on behalf of the Company | 32,979 | 45,917 | | |
| | Expenses incurred on behalf of Holding Company | 31,538 | - | 159,168 Payable | 670,686 Payable |
| | Equity contribution for stock options (refer note 20) | 165,222 | 395,125 | | |
| | Amount received on behalf of Holding Company | 190,860 | 145,851 | | |
| | Amount received by Holding Company on behalf of the Company | 1,670,319 | 108,250 | | |
| eClerx Private Limited | Expenses incurred by Company on behalf of fellow subsidiary | - | 1,100 | - | 1,100 Receivable |
| eClerx Limited | Expenses incurred by Company on behalf of fellow subsidiary | - | 1,500 | - | 89,811 Receivable |
| | Expenses incurred by felllow subsidiary on behalf of Company | - | 11,796 | | |
| | Amount received by fellow subsidiary on behalf of Company | - | 89,811 | | |
| eClerx Canada Limited | Expenses incurred by Company on behalf of fellow subsidiary | 21,385 | - | 19,909 Receivable | - |
| | Expenses incurred by felllow subsidiary on behalf of Company | 3,015 | - | | |

## 26. Segment Information

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

| | For the year ended | |
|---|---|---|
| | **31 March 2019** | **31 March 2018** |
| | Amount in USD | Amount in USD |
| **Revenue from customers** | | |
| United States of America | 14,021,662 | 8,685,398 |
| United Kingdom | (5,765) | 17,828 |
| Europe | 667 | 14,056 |
| Asia Pacific | 27,083,371 | 24,672,763 |
| **Total Revenue** | **41,099,935** | **33,390,045** |

The Company has one customer with revenue greater than 10% each of the total Company's revenue totalling to USD 27,083371 for the year ended 31 March 2019 and one customer with a revenue greater than 10% each of the Company revenue totalling USD 24,672,763 for the year ended 31 March 2018.

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| | Amount in USD | Amount in USD |
| **Non - current operating assets** | | |
| United States of America | 2,414,250 | 2,285,455 |
| **Total Assets** | **2,414,250** | **2,285,455** |

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

## 27. Financial risk management objectives and policies

The Company's principal financial liabilities comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits.

### Credit risk

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

### Trade receivables

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

Trade receivables are evaluated by the Company based on specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.There is no impairment of receivables in any of the years.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations.The objective of liquidity risk management is to maintian sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in USD

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **As at 31 March 2019** | | | | | |
| Other financial liabilities | - | 1,306,850 | - | 49,990 | 1,356,840 |
| Trade and other payables | - | 147,397 | - | - | 147,397 |
| | **-** | **1,454,247** | **-** | **49,990** | **1,504,237** |

Amount in USD

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **As at 31 March 2018** | | | | | |
| Other financial liabilities | - | 1,399,594 | 49,990 | - | 1,449,584 |
| Trade and other payables | - | 478,713 | 201,173 | - | 679,886 |
| | **-** | **1,878,307** | **251,163.00** | **-** | **2,129,470** |

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

**28. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

## 29. Standards issued but not yet effective

### Ind AS 116 : Leases

On March 30, 2019, Ministry of Corporate Affairs has noted Ind AS 116, Leases. Ind AS 116 will replace the exisiting leases Standard, Ind AS 17, Leases, and related interpretations. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date of adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accouunting Estimates and Errors

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by;

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as;

1) Its carrying amount as if the Standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

### Ind AS 12 : Income Taxes

Appendix C, Uncertainity over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the Appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the Companies have used or plan to use in their income tax filiing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax laws), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., April 1, 2019 without adjusting comparatives.
The effect on adoption of Ind AS 12 Appendix C would be insignificant.

**Amendment to Ind AS 12** - Income Taxes; On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clairifies that and entity shal recognise the income tax consequences of dividends in profit and loss, othe comprehensive income or equity according to where the entitiy originally recognised both past transactions or events.
Effective date for application of this amenment is annual period beiginning on or after April1 , 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ' Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity;

1) to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement; and

2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if the surplus was not previously recognised because of the impact of asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx LLC**

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx Limited**
**Balance sheet as at 31 March 2019**

| | Notes | As at 31 March 2019 Amount in GBP | As at 31 March 2018 Amount in GBP |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 139,758 | 177,806 |
| Capital work in progress | 3 | - | 730 |
| Intangible assets | 4 | - | 7,729 |
| Financial assets | | | |
| Other financial assets | 7 | 33,761 | 33,761 |
| | | **173,519** | **220,026** |
| **Current assets** | | | |
| Financial assets | | | |
| Trade receivables | 5 | 1,207,927 | 1,973,144 |
| Cash and cash equivalents | 6 | 1,011,743 | 604,645 |
| Other financial assets | 7 | 240,641 | 80,549 |
| Other current assets | 8 | 197,746 | 207,801 |
| Current tax assets (net) | | 7,967 | - |
| | | **2,666,024** | **2,866,139** |
| **Total assets** | | **2,839,543** | **3,086,165** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 9 | 100 | 100 |
| Contribution from Holding Company | 10 | 414,850 | 382,160 |
| Other equity | 11 | 1,771,564 | 1,705,285 |
| **Total equity** | | **2,186,514** | **2,087,545** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities (net) | 16 | 1,985 | 14,436 |
| Employee Benefit Obligations | | 28,355 | - |
| | | **30,340** | **14,436** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 13 | 28,233 | 57,162 |
| Other financial liabilities | 14 | 221,749 | 202,695 |
| Other current liabilities | 15 | 2,352 | 934 |
| Employee benefit obligations | 12 | 370,355 | 715,004 |
| Current tax liabilities (net) | | - | 8,389 |
| | | **622,689** | **984,184** |
| **Total equity and liabilities** | | **2,839,543** | **3,086,165** |
| Summary of significant accounting policies | 2 | | |

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

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Limited**
**Statement of profit and loss for the year ended 31 March 2019**

| | Notes | For the year ended 31 March 2019 Amount in GBP | For the year ended 31 March 2018 Amount in GBP |
|---|---|---|---|
| Revenue from operations | 17 | 5,741,901 | 5,675,551 |
| Other Income | | 1,440 | - |
| **Total income** | | **5,743,341** | **5,675,551** |
| **Expenses** | | | |
| Employee benefits expense | 18 | 3,620,304 | 3,558,742 |
| Cost of technical sub-contractors | | 733,948 | 693,369 |
| Depreciation expense | 19 | 73,064 | 79,519 |
| Other expense | 20 | 1,300,384 | 1,128,603 |
| **Total expense** | | **5,727,700** | **5,460,233** |
| **Profit before tax** | | **15,641** | **215,318** |
| **Tax expense** | | | |
| Current tax | 16 | | |
| Pertaining to current year | | 19,848 | 45,844 |
| Adjustments in respect of current income tax of previous year | | (58,035) | - |
| Deferred tax | 16 | (12,451) | (1,294) |
| **Income tax expense** | | **(50,638)** | **44,550** |
| **Profit for the year** | | **66,279** | **170,768** |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive income for the year, net of tax** | | **66,279** | **170,768** |
| **Earnings per equity share (in GBP)** | | | |
| Basic (Face value of GBP 1 each) | 21 | 662.79 | 1,707.68 |
| Diluted (Face value of GBP 1 each) | 21 | 662.79 | 1,707.68 |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

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

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Limited**
**Statement of cash flows for the year ended**

| | Notes | 31 March 2019<br>Amount in GBP | 31 March 2018<br>Amount in GBP |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before tax | | 15,641 | 215,318 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation of property, plant and equipment | 19 | 65,335 | 68,809 |
| Depreciation of intangible assets | | 7,729 | 10,710 |
| Share-based payment expense | 18 | 32,690 | 95,587 |
| | | **121,395** | **390,424** |
| **Working capital adjustments:** | | | |
| Increase / (Decrease) in employee benefit obligations | | (316,294) | 231,160 |
| (Increase) / Decrease in trade receivables | | 765,217 | (709,892) |
| (Increase) / Decrease in other financial assets and other assets | | (150,037) | (40,665) |
| Increase / (Decrease) in trade payables, other current and non current liabilities and financial liabilities | | (8,457) | 136,882 |
| **Cash generated by operating activities** | | **411,824** | **7,909** |
| Income tax paid (net of refunds) | | 21,831 | (72,014) |
| **Net cash flows (used) / generated from operating activities** | | **433,655** | **(64,105)** |
| **Investing activities** | | | |
| Purchase of property, plant and equipment (including capital work in progress) | | (26,557) | (52,300) |
| **Net cash flows (used in) investing activities** | | **(26,557)** | **(52,300)** |
| **Net (decrease) / increase in cash and cash equivalents** | | **407,098** | **(116,405)** |
| Cash and cash equivalents at the beginning of the year | | 604,645 | 721,050 |
| **Cash and cash equivalents at the year end** | | **1,011,743** | **604,645** |
| Summary of significant accounting policies | 2 | | |

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

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Limited**
**Statement of changes in equity for the year ended 31 March 2019**

**a. Equity share capital**

| | No. of shares | Share Capital |
|---|---|---|
| | | Amount in GBP |
| Equity shares of GBP 1 each issued, subscribed and fully paid | | |
| **As at 1 April 2017** | 100 | 100 |
| **As at 31 March 2018** | 100 | 100 |
| **As at 31 March 2019** | 100 | 100 |

**b. Other equity**
**For the year ended 31 March 2019** **Amount in GBP**

| Particulars | Contribution from Holding Company | Retained earnings | Total equity attributable to equity share holders of the Company |
|---|---|---|---|
| **As at 1 April 2018** | 382,160 | 1,705,285 | 2,087,445 |
| Stock compensation charge / (credit) | 32,690 | - | 32,690 |
| Profit for the year | - | 66,279 | 66,279 |
| **As at 31 March 2019** | **414,850** | **1,771,564** | **2,186,414** |

**For the year ended 31 March 2018** **Amount in GBP**

| Particulars | Contribution from Holding Company | Retained earnings | Total equity attributable to equity share holders of the Company |
|---|---|---|---|
| **As at 1 April 2017** | 286,573 | 1,534,517 | 1,821,090 |
| Stock compensation charge / (credit) | 95,587 | - | 95,587 |
| Profit for the year | - | 170,768 | 170,768 |
| **As at 31 March 2018** | **382,160** | **1,705,285** | **2,087,445** |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Baljit Phull**
Director

### 1. Corporate information

eClerx Limited (the "Company") was incorporated on January 11, 2000 in the United Kingdom. With effect from April 1, 2007 it became a 100% subsidiary of eClerx Services Limited, a Company incorporated in India. eClerx Limited is a specialised Knowledge and Business Process Outsourcing ("KPO / BPO") Company providing operational support, data management, and analytics solutions and sales and marketing support services to its clients.

### 2.A. Significant accounting policies

### 2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value :
• Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
• Share based payments
The financial statements are presented in "GBP" and all values are stated GBP, except when otherwise indicated.

However, as these financial statements are not statutory financial statements, full compliance with the Companies Act, 2013 is not required and so they do not reflect all disclosure requirements of the Companies Act, 2013.

### 2.2. Summary of significant accounting policies

### a. Foreign currencies

The Company's financial statements are presented in Great Britain Pound ("GBP"), which is also the Company's functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

### b. Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability or,
• In the absence of a principal market, in the most advantageous market for the asset or liability.
The principal or the most advantageous market must be accessible by the Company.

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

**c. Revenue recognition**
**Ind AS 115 Revenue from Contracts with Customers**

**Revenue recognition:**

Effective April 1, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method. The standard is applied only to contracts that are not completed as at the date of initial application of the standard i.e. April 1, 2018 and the comparative information is not restated in the standalone financial statements. The impact of the adoption of the standard on the standalone financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Arrangement with customers for services rendered by the Company are either on time and material or on fixed price basis. Revenue from contracts on time-and-material basis is recognised as the related services are performed. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and other variable considerations, if any, as specified in the contracts with the customers.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenue net of indirect taxes in its standalone statement of profit and loss.

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Advance billing is shown as contract liabilities under other current financial liabilities. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed period.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the benefit period.

**d. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in United Kingdom where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

• When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

**e. Property, plant and equipment**

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

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

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

The Company provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down Value method. The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

| Block of assets | Estimated useful life (in years) |
|---|---|
| Office equipment | 5 |
| Furniture and fixtures | 10 |
| Computers | 3-6 |
| Leasehold improvements | Lease term |

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

**f. Leases**

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

**The Company as lessee**

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

**g. Impairment of non-financial assets**

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

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

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

**h. Provisions and contingencies**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**i. Share - based payments**
Employees of the Company receive from the Holding Company, eClerx Services Limited, remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in 'Contribution from Holding Company' in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

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

**Financial assets**
***Initial recognition and measurement***
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

***Subsequent measurement***
For purposes of subsequent measurement financial assets are classified into three categories:
• Financial assets at fair value through OCI
• Financial assets at fair value through profit or loss
• Financial assets at amortised cost

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

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

**Derecognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**
The Company assesses impairment based on expected credit losses (ECL) model to the following:
• Financial assets measured at amortised cost; and
• Financial assets measured at Fair value through other comprehensive income (FVTOCI)

Expected credit losses (ECL) are measured through a loss allowance at an amount equal to:
• the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
• full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance.
Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

***Subsequent measurement***

The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ('EIR') method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**k. Cash and cash equivalents**

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

**2.B. Fair Values**

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has no financial assets and financial liabilities which are measured at fair value through profit or loss.

**2.C. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**a. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**b. Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

### 3. Property, plant and equipment

| | Computer hardware | Leasehold improvements | Furniture & fixtures | Office equipments | Total |
|---|---|---|---|---|---|
| | Amount in GBP | Amount in GBP | Amount in GBP | Amount in GBP | **Amount in GBP** |
| **Cost** | | | | | |
| **As at 1 April 2017** | **141,221** | **170,412** | **17,785** | **52,486** | **381,904** |
| Additions | 33,131 | - | | | **33,131** |
| Disposals | - | - | - | - | **-** |
| **As at 31 March 2018** | **174,352** | **170,412** | **17,785** | **52,486** | **415,035** |
| Additions | 17,955 | - | 928 | 8,404 | **27,287** |
| Disposals | 1,061 | - | - | - | **1,061** |
| **As at 31 March 2019** | **193,368** | **170,412** | **18,713** | **60,890** | **443,383** |
| **Depreciation and impairment** | | | | | |
| **As at 1 April 2017** | **87,378** | **46,590** | **4,534** | **29,918** | **168,420** |
| Depreciation charge for the year | 31,580 | 23,295 | 3,596 | 10,338 | **68,809** |
| Disposals | - | - | - | - | **-** |
| **As at 31 March 2018** | **118,958** | **69,885** | **8,130** | **40,256** | **237,229** |
| Depreciation charge for the year | 29,830 | 23,295 | 2,771 | 9,439 | **65,335** |
| Disposals | 1,061 | - | - | - | **1,061** |
| **As at 31 March 2019** | **149,849** | **93,180** | **10,901** | **49,695** | **303,625** |
| **Net Book Value** | | | | | |
| **As at 31 March 2019** | **43,519** | **77,232** | **7,812** | **11,195** | **139,758** |
| **As at 31 March 2018** | **55,394** | **100,527** | **9,655** | **12,230** | **177,806** |

**Capital work in progress**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Capital work in progress | | 730 |
| | **-** | **730** |

### 4. Intangible assets

| | Computer software | Total |
|---|---|---|
| | Amount in GBP | **Amount in GBP** |
| **Cost** | | |
| **As at 1 April 2017** | - | **-** |
| Additions | 18,439 | **18,439** |
| Disposals | - | **-** |
| **As at 31 March 2018** | **18,439** | **18,439** |
| Additions | | |
| Disposals | - | **-** |
| **As at 31 March 2019** | **18,439** | **18,439** |
| **Depreciation and impairment** | | |
| **As at 1 April 2017** | - | **-** |
| Depreciation charge for the year | 10,710 | **10,710** |
| Disposals | - | **-** |
| **As at 31 March 2018** | **10,710** | **10,710** |
| Depreciation charge for the year | 7,729 | **7,729** |
| Disposals | - | **-** |
| **As at 31 March 2019** | **18,439** | **18,439** |
| **Net Book Value** | | |
| **As at 31 March 2019** | **-** | **-** |
| **As at 31 March 2018** | **7,729** | **7,729** |

**Financial assets**

**5. Trade receivables**

| | As at 31 March 2019 Amount in GBP | As at 31 March 2018 Amount in GBP |
|---|---|---|
| Trade receivables | 107,901 | 94,335 |
| Receivables from other related parties | 1,100,026 | 1,878,809 |
| **Total trade receivables** | **1,207,927** | **1,973,144** |

| | As at 31 March 2019 Amount in GBP | As at 31 March 2018 Amount in GBP |
|---|---|---|
| **Outstanding for a period exceeding six months from the date they are due for payment** | | |
| Unsecured, considered good | - | - |
| **Other receivables** | | |
| Unsecured, considered good | 1,207,927 | 1,973,144 |
| Impairment allowance | - | - |
| **Total trade receivables** | **1,207,927** | **1,973,144** |

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

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

| **6. Cash and cash equivalents** | As at 31 March 2019 Amount in GBP | As at 31 March 2018 Amount in GBP |
|---|---|---|
| Balances with banks: | | |
| In current accounts | 1,011,743 | 604,645 |
| | **1,011,743** | **604,645** |

## 7. Other financial assets

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| **Non-current** | | |
| Corporate premises rent deposits | 33,761 | 33,761 |
| | **33,761** | **33,761** |
| **Current** | | |
| Unbilled revenue | 196,595 | 17,560 |
| Staff accomodation rent deposits | 5,621 | 5,622 |
| Other deposits | 2,751 | 1,591 |
| Other advances | 35,674 | 55,776 |
| | **240,641** | **80,549** |
| | **274,402** | **114,310** |

**Break up of financial assets carried at amortised cost**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Trade receivables (refer note 5) | 1,207,927 | 1,973,144 |
| Cash and cash equivalents (refer note 6) | 1,011,743 | 604,645 |
| Other financial assets (refer note 7) | 274,402 | 114,310 |
| **Total financial assets carried at amortised cost** | **2,494,072** | **2,692,099** |

## 8. Other current assets

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Prepaid expenses | 169,324 | 163,794 |
| Other tax credits | 28,422 | 44,007 |
| | **197,746** | **207,801** |

**9. Share capital**

**Authorised share capital**

| | Equity shares | |
|---|---|---|
| | **As at 31 March 2019** | **As at 31 March 2018** |
| **Authorized share capital** | | |
| 1,000 (31 March 2017: 1,000) shares of GBP 1 each | 1,000 | 1,000 |
| **Issued, subscribed and fully paid up** | | |
| 100 (31 March 2017: 100) shares of GBP 1 each | 100 | 100 |

There has been no movement in equity share capital during current and previous financial year

**Terms / rights attached to equity shares**
The Company has only one class of equity shares having a par value of GBP 1 per share. Each holder of equity shares is entitled to one vote per equity share.

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

| **Name of the shareholder** | **As at 31 March 2019** | | **As at 31 March 2018** | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| eClerx Services Limited | 100 | 100% | 100 | 100% |

**10. Contribution from Holding Company**

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| ESOP charge from Holding Company | | |
| Balance, beginning of the year | 382,160 | 286,573 |
| Charge / (Credit) for the year (refer note 18) | 32,690 | 95,587 |
| **Balance, end of the year** | **414,850** | **382,160** |

**11. Other equity**

**Retained earnings**

| | Amount in GBP |
|---|---|
| **As at 1 April 2017** | **1,534,517** |
| Add: Profit during the year | 170,768 |
| **As at 31 March 2018** | **1,705,285** |
| Add: Profit during the year | 66,279 |
| **As at 31 March 2019** | **1,771,564** |

**Other reserves**

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Retained earnings | 1,771,564 | 1,705,285 |
| | **1,771,564** | **1,705,285** |

## 12. Employee benefit obligations

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| **Current** | | |
| Incentive to employees | 370,355 | 715,004 |
| | **370,355** | **715,004** |

## 13. Trade payables

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Trade payables | 3,311 | (393) |
| Trade payables to related parties | 24,922 | 57,555 |
| | **28,233** | **57,162** |

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For explanations on the Company's credit risk management processes, refer note 25.
- Trade payables are measured at amortised cost

## 14. Other financial liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Accrued expenses | 221,363 | 202,695 |
| Advance billing | 386 | |
| | **221,749** | **202,695** |

**Break up of financial liabilities at amortised cost**

| | | |
|---|---|---|
| Trade payables (refer note 13) | 28,233 | 57,162 |
| Other financial liabilities (refer note 14) | 221,749 | 202,695 |
| | **249,982** | **259,857** |

## 15. Other current liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Statutory dues | 2,352 | 934 |
| | **2,352** | **934** |

**16. Income taxes**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

**Statement of profit and loss:**
**Profit or loss section**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| **Current Income tax:** | | |
| Current income tax charged | 19,848 | 45,844 |
| Current income tax credit pertaining to previous year | (58,035) | - |
| Deferred tax | (12,451) | (1,294) |
| **Income tax expense reported in the statement of profit or loss** | **(50,638)** | **44,550** |

**Reconciliation of tax expense and the accounting profit multiplied by United Kingdom's domestic tax rate for 31 March 2019 and 31 March 2018**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Accounting profit before income tax | 15,641 | 215,318 |
| At statutory income tax rate of 19% (31 March 2018: 19%) | 2,972 | 40,910 |
| Non-deductible expenses for tax purposes | (53,610) | 3,640 |
| Income tax expense reported in the statement of profit and loss at the effective income tax rate of -323.75% (31 March 2018: 20.69%) | (50,638) | 44,550 |

**Deferred tax:**
**Deferred tax relates to the following:**

| | Balance Sheet | | Profit & Loss | |
|---|---|---|---|---|
| | As at 31 March 2019 | As at 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | Amount in GBP | Amount in GBP | Amount in GBP | Amount in GBP |
| Accelerated depreciation for tax purposes | (1,985) | (14,436) | (12,451) | (1,294) |
| **Deferred tax expense/(income)** | | | **(12,451)** | **(1,294)** |
| **Net deferred tax liabilities** | **(1,985)** | **(14,436)** | | |

Reflected in the balance sheet as follows:

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Deferred tax assets | - | - |
| Deferred tax liabilities | (1,985) | (14,436) |
| **Deferred tax liabilities, net** | **(1,985)** | **(14,436)** |

**Reconciliation of deferred tax liabilities (net):**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Opening balance | (14,436) | (15,730) |
| Tax income/(expense) during the period recognised in profit or loss | 12,451 | 1,294 |
| Closing balance | **(1,985)** | **(14,436)** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**17. Revenue from operations**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Sale of services | 5,741,901 | 5,675,551 |
| | **5,741,901** | **5,675,551** |

The Company derives revenues primarily from Sales & marketing, Consulting and ITeS services.

Effective 1 April 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at 1 April 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Arrangements with customers for ITeS related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under IndAS115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized rateably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as are deduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount there of cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues for the year ended 31 March 2019 and 31 March 2018 are as follows: **Amount in GBP**

| **Particulars** | **Year ended 31 March** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue from Sales & marketing, Consulting and ITeS services | 5,741,901 | 5,675,551 |
| Revenue from software development, licensing of software products & related services | - | - |
| **Total revenue from operations** | **5,741,901** | **5,675,551** |

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended 31 March 2019 **Amount in GBP**

| **Particulars** | **Total** |
|---|---|
| **Revenues by Geography** | |
| United States of America | 93,365 |
| United Kingdom | 747,910 |
| Asia Pacific | 4,900,626 |
| **Total** | **5,741,901** |
| **Revenues by contract type** | |
| Fixed Price | 1,897 |
| Time & Materials | 5,740,004 |
| **Total** | **5,741,901** |

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

**Amount in GBP**

| **Particulars** | **Year ended 31 March,** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue as per contracted price | 5,750,669 | 5,675,551 |
| **Adjustments:** | | |
| Discount | 8,768 | - |
| **Revenue from contract with customers** | **5,741,901** | **5,675,551** |

**Trade Receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.
During the year ended 31 March 2019 , the company recognized Nil revenue arising from opening unearned revenue as of 1 April 2018.

During the year ended 31 March 2019 , GBP 1,897 of unbilled revenue pertaining to fixed price development contracts as of 1 April 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019, other than those meeting the exclusion criteria mentioned above, is Nil. Out of this, the Company expects to recognize revenue of around Nil within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended 31 March 2019 and as at 31 March 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of GBP 196,595 as at 31 March 2019 has been considered as a non financial asset.

## 18. Employee benefits expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Salaries, wages and bonus | 3,562,041 | 3,456,320 |
| Contribution to provident and other funds | 22,899 | 6,835 |
| Employee stock compensation charge / (credit) | 32,690 | 95,587 |
| Staff welfare | 2,674 | - |
| | **3,620,304** | **3,558,742** |

## 19. Depreciation expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Depreciation of tangible assets (refer note 3) | 65,335 | 68,809 |
| Depreciation of intangible assets (refer note 4) | 7,729 | 10,710 |
| | **73,064** | **79,519** |

## 20. Other expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Travelling expense | 471,195 | 442,286 |
| Office base rentals | 280,165 | 245,491 |
| Legal and professional charges | 296,626 | 163,911 |
| Business and promotion | 53,666 | 81,102 |
| Communication expense | 88,356 | 75,849 |
| Computer and electrical consumables | 31,421 | 29,588 |
| Office expense | 17,939 | 22,208 |
| Loss on foreign exchange fluctuation (net) | 10,372 | 12,800 |
| Donation | 9,538 | 11,266 |
| Auditor's remuneration | 9,630 | 9,015 |
| Repairs and maintenance | | |
| Building | - | - |
| Others | 7,041 | 7,613 |
| Housekeeping services | 7,612 | 6,607 |
| Electricity | 4,094 | 5,220 |
| Subscription & membership fees | 2,600 | 4,451 |
| Other insurance | 4,383 | 4,352 |
| Bank charges | 4,068 | 3,726 |
| Printing and stationery | 1,678 | 3,118 |
| | **1,300,384** | **1,128,603** |

### 21. Earnings per share (EPS)

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

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

| | **31 March 2019** | **31 March 2018** |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Profit attributable to equity holders | 66,279 | 170,768 |
| Weighted average number of equity shares for- | | |
| Basic EPS | 100 | 100 |
| Dilutive EPS | 100 | 100 |
| **Earnings per equity share (in GBP)** | | |
| Basic | 662.79 | 1,707.68 |
| Diluted | 662.79 | 1,707.68 |

### 22. Commitments

#### a. Leases

#### Operating lease commitments — Company as lessee

The Company has entered into operating leases for office facilities and residential premises for employees, which include leases that are renewable on a yearly basis, cancellable at its option and other long term leases.

| | **31 March 2019** | **31 March 2018** |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| Lease payments recognised in the statement of profit and loss | 280,165 | 245,491 |

**23. Related party transactions**
**A. Related Parties and Key Management Personnel**

**Name of related party and related party relationship**

**Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013**

**(a) Where control exists:**

1. eClerx Services Limited (Holding Company)

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

Key Management Personnel:
1. Anjan Malik (Director)

Fellow Subsidiary:
1. eClerx LLC
2. eClerx Investments (UK) Limited
3. CLX Europe Media Solution Limited

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

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

| Name | Nature of Transaction | Transactions during the year | | Outstanding Balance as at | |
|---|---|---|---|---|---|
| | | 31 March 2019 | 31 March 2018 | 31 March 2018 | 31 March 2018 |
| | | Amount in GBP | Amount in GBP | Amount in GBP | Amount in GBP |
| eClerx Services Limited | Sale of services | 4,774,126 | 5,305,000 | 1,100,026 Receivable | 1,910,859 Receivable |
| | Sub contractor charges | - | 17,667 | | |
| | Expenses incurred by Holding Company on behalf of Company | 25,516 | 22,506 | | |
| | Equity Contribution for stock options (refer note 10) | 32,690 | 95,587 | 48,388 Payable | 21,639 Payable |
| | Amount received by Company on behalf of Holding Company | - | 5,250 | | |
| | Amount received by Holding Company on behalf of Company | 135,677 | 23,840 | | |
| eClerx Investments (UK) Limited | Expenses incurred on behalf of fellow subsidiary | 628 | - | - | - |
| eClerx LLC | Expenses incurred on behalf of fellow subsidiary | - | 8,800 | - | 64,100 Payable |
| | Expenses incurred by fellow subsidiary on behalf of Company | - | 1,172 | | |
| | Amount received on behalf of fellow subsidiary | - | 64,100 | | |
| CLX Europe Media Solution Limited | Expenses incurred on behalf of fellow subsidiary | 78,899 | 89,462 | 23,466 Receivable | 3,867 Payable |
| | Expenses incurred by fellow subsidiary on behalf of Company | 44,814 | 58,566 | | |

**Terms and conditions of transactions with related parties**

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

**Compensation of key management personnel of the Company**

| | 31 March 2018 | 31 March 2018 |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| **Anjan Malik** | | |
| Short-term employee benefits | 73,000 | 80,000 |
| **Total compensation paid to key management personnel** | **73,000** | **80,000** |

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

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

## 24. Segment Information

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

| | For the year ended | |
|---|---|---|
| | **31 March 2019** | **31 March 2018** |
| | Amount in GBP | Amount in GBP |
| **Revenue from customers** | | |
| United States of America | 93,365 | 1,748 |
| United Kingdom | 747,910 | 294,119 |
| Asia Pacific | 4,900,626 | 5,379,684 |
| **Total Revenue** | **5,741,901** | **5,675,551** |

The Company has one customer with revenue greater than 10% of the total Company's revenue totalling to GBP 4,774,126 for the year ended 31 March 2019 and one customer with a revenue greater than 10% of the Company revenue totalling GBP 5,305,000 for the year ended 31 March 2018.

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| | Amount in GBP | Amount in GBP |
| **Non - current operating assets** | | |
| United Kingdom | 173,519 | 220,026 |
| **Total Assets** | **173,519** | **220,026** |

Note: Non - current operating assets for this purpose consists of property plant and equiment, capital work in progress, intangible assets and non-current financial assets.

## 25. Financial risk management objectives and policies

The Company's principal financial liabilities comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits.

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

### Trade receivables
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.
Trade receivables are evaluated by the Company based on specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.The impairment is Nil as of 31 March 2018, Nil as of 31 March 2017.

### Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations.The objective of liquidity risk management is to maintian sufficient liquidity and ensure that funds are available for use as per requirements.The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in GBP

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **Year ended 31 March 2019** | | | | | |
| Other financial liabilities | - | 221,749 | - | - | 221,749 |
| Trade and other payables | - | 28,233 | - | - | 28,233 |
| | **-** | **249,982** | **-** | **-** | **249,982** |

Amount in GBP

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **Year ended 31 March 2018** | | | | | |
| Other financial liabilities | - | 202,695 | - | - | 202,695 |
| Trade and other payables | - | 57,162 | - | - | 57,162 |
| | **-** | **259,857** | **-** | **-** | **259,857** |

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

**26. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2018.

## 27. Standards issued but not yet effective

**Ind AS 116 : Leases**

On March 30, 2019, Ministry of Corporate Affairs has noted Ind AS 116, Leases. Ind AS 116 will replace the exisiting leases Standard, Ind AS 17, Leases, and related interpretations. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date of adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accouunting Estimates and Errors

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by;

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as;

1) Its carrying amount as if the Standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

**Ind AS 12 : Income Taxes**

Appendix C, Uncertainity over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the Appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the Companies have used or plan to use in their income tax filiing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax laws), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., April 1, 2019 without adjusting comparatives.
The effect on adoption of Ind AS 12 Appendix C would be insignificant.

**Amendment to Ind AS 12** - Income Taxes; On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clairifies that and entity shal recognise the income tax consequences of dividends in profit and loss, othe comprehensive income or equity according to where the entitiy originally recognised both past transactions or events.
Effective date for application of this amenment is annual period beiginning on or after April1 , 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ' Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity;

1) to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement; and

2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if the surplus was not previously recognised because of the impact of asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

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

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Private Limited**
**Balance Sheet as at 31 March 2019**

| | Notes | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 133,140 | 162,210 |
| Intangible assets | 3 | 371 | |
| Capital work in progress | 3 | - | 1,188 |
| Financial assets | | | |
| Other financial assets | 6 | 50,023 | 49,823 |
| | | **183,534** | **213,221** |
| **Current assets** | | | |
| Financial assets | | | |
| Trade receivables | 4 | 1,610,105 | 1,427,163 |
| Cash and cash equivalents | 5 | 150,955 | 121,148 |
| Other financial assets | 6 | 707,322 | 211,959 |
| Other current assets | 7 | 28,544 | 17,008 |
| | | **2,496,926** | **1,777,278** |
| **Total assets** | | **2,680,460** | **1,990,499** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 8 | 1 | 1 |
| Contribution from Holding Company | 9 | 103,745 | 98,373 |
| Other equity | 10 | 1,965,231 | 1,209,212 |
| **Total equity** | | **2,068,977** | **1,307,586** |
| **Non-current liabilities** | | | |
| Other non current liabilities | 14 | 1,874 | 1,874 |
| Deferred tax liabilites (net) | | 7,120 | - |
| Employee benefit obligations | 11 | 39,512 | - |
| | | **48,506** | **1,874** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 12 | 53,122 | 80,132 |
| Other financial liabilities | 13 | 194,899 | 256,472 |
| Other current liabilities | 15 | 67,700 | 45,725 |
| Employee benefit obligations | 11 | 60,598 | 256,757 |
| Current tax liabilities (net) | | 186,658 | 41,953 |
| | | **562,977** | **681,039** |
| **Total equity and liabilities** | | **2,680,460** | **1,990,499** |
| Summary of significant accounting policies | 2 | | |

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

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

**For and on behalf of the Board of Directors**
**of eClerx Private Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Lionel Koh Jin Kiat**
Director

**eClerx Private Limited**
**Statement of Profit and Loss for the year ended 31 March 2019**

| | Notes | For the year ended 31 March 2019<br>Amount in SGD | For the year ended 31 March 2018<br>Amount in SGD |
|---|---|---|---|
| Revenue from operations | 17 | 6,410,553 | 4,578,754 |
| Other Income | | 8,422 | - |
| **Total income** | | **6,418,975** | **4,578,754** |
| **Expenses** | | | |
| Employee benefits expense | 18 | 4,322,433 | 2,988,926 |
| Cost of technical sub-contractors | | 524,416 | 509,918 |
| Depreciation and amortisation expense | 19 | 54,560 | 14,816 |
| Other expense | 20 | 571,834 | 458,101 |
| **Total expenses** | | **5,473,243** | **3,971,761** |
| **Profit before tax** | | **945,732** | **606,993** |
| **Tax expenses** | | | |
| Current tax | 16 | | |
| Pertaining to current year | | 159,410 | 42,053 |
| Adjustments in respect of current income tax of previous year | | 23,183 | (2,726) |
| Deferred tax | | 7,120 | |
| **Income tax expense** | | **189,713** | **39,327** |
| **Profit for the year** | | **756,019** | **567,666** |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive income for the year, net of tax** | | **756,019** | **567,666** |
| **Earnings per equity share (in SGD)** | | | |
| Basic (Face value of SGD 1 each) | 21 | 756,019 | 567,666 |
| Diluted (Face value of SGD 1 each) | 21 | 756,019 | 567,666 |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx Private Limited**

**Anjan Malik**
Director

**Lionel Koh Jin Kiat**
Director

**eClerx Private Limited**
**Statement of cash flows for the year ended**

| | Notes | 31 March 2019<br>Amount in SGD | 31 March 2018<br>Amount in SGD |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before tax | | 945,732 | 606,993 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Depreciation of property, plant and equipment | 3 | 54,560 | 14,816 |
| Share-based payment expense | 18 | 5,372 | 6,709 |
| | | **1,005,664** | **628,518** |
| **Working capital adjustments:** | | | |
| Increase / (Decrease) in employee benefit obligations | | (196,159) | 186,785 |
| (Increase) in trade receivables | | (182,942) | (859,643) |
| (Increase) / Decrease in other financial assets and other assets | | (507,099) | (206,687) |
| Increase in trade payables, other current and non current liabilities and financial liabilities | | (19,976) | 311,492 |
| **Cash generated by / (used in) operating activities** | | **99,488** | **60,465** |
| Income tax received / (paid) (Net of refunds) | | (37,888) | (11,391) |
| **Net cash flows generated / (used in) by operating activities** | | **61,600** | **49,074** |
| **Investing activities** | | | |
| Purchase of property, plant and equipment (including capital work in progress) | | (24,673) | (171,011) |
| **Net cash flows (used in) investing activities** | | **(24,673)** | **(171,011)** |
| **Net (decrease) / increase in cash and cash equivalents** | | **36,927** | **(121,937)** |
| Cash and cash equivalents at the beginning of the year | | 121,148 | 243,085 |
| **Cash and cash equivalents at the year end** | | **158,075** | **121,148** |
| Summary of significant accounting policies | 2 | | |

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

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

**For and on behalf of the Board of Directors**
**of eClerx Private Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Lionel Koh Jin Kiat**
Director

**eClerx Private Limited**
**Statement of changes in equity for the year ended 31 March 2019**

**a. Equity share capital**

| | No. of Shares | Share Capital |
|---|---|---|
| | | Amount in SGD |
| Equity shares of SGD 1 each issued, subscribed and fully paid | | |
| **As at 1 April 2017** | 1 | 1 |
| **As at 31 March 2018** | 1 | 1 |
| **As at 31 March 2019** | 1 | 1 |

**b. Other equity**
**For the year ended 31 March 2019** — **Amount in SGD**

| Particulars | Contribution from Holding Company | Retained Earnings | Total equity attributable to equity share holders of the Company |
|---|---|---|---|
| **As at 1 April 2018** | 98,373 | 1,209,212 | 1,307,585 |
| Stock compensation charge / (credit) | 5,372 | - | 5,372 |
| Profit for the period | - | 756,019 | 756,019 |
| **As at 31 March 2019** | **103,745** | **1,965,231** | **2,068,976** |

**For the year ended 31 March 2018** — **Amount in SGD**

| Particulars | Contribution from Holding Company | Retained Earnings | Total equity attributable to equity share holders of the Company |
|---|---|---|---|
| **As at 1 April 2017** | 91,664 | 641,546 | 733,210 |
| Stock compensation charge / (credit) | 6,709 | - | 6,709 |
| Profit for the period | - | 567,666 | 567,666 |
| **As at 31 March 2018** | **98,373** | **1,209,212** | **1,307,585** |

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

**For and on behalf of the Board of Directors**
**of eClerx Private Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Lionel Koh Jin Kiat**
Director

### 1. Corporate information

eClerx Private Limited (the "Company”) was incorporated on December 29, 2009 in Singapore. It is a wholly owned subsidiary of eClerx Services Limited, a Company incorporated in India. eClerx Private Limited is a specialist Knowledge and Business Process Outsourcing (“KPO” / “BPO”) Company providing operational support, data management, and analytics solutions and sales and marketing support services to its clients.

### 2.A. Significant accounting policies

### 2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value :

• Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

• Share based payments

The financial statements are presented in "SGD" and all values are stated in SGD, except when otherwise indicated.

However, as these financial statements are not statutory financial statements, full compliance with the Companies Act, 2013 is not required and so they do not reflect all disclosure requirements of the Companies Act, 2013.

### 2.2. Summary of significant accounting policies

#### a. Foreign currencies

The Company’s financial statements are presented in Singapore Dollars ("SGD"), which is also the Company’s functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

#### b. Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**c. Revenue recognition**
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

**Rendering of services**
Revenue from time and material and unit priced contracts are recognised when services are rendered and related costs are incurred. Revenue from fixed price contracts, are recognised over the life of the contract using the proportionate completion method, with contract costs determining the degree of completion. Foreseeable losses on such contracts are recognised when probable. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract. Revenue from sale of services to the Holding Company is recognised as cost plus mark-up on the basis of agreement between the Holding Company and the Company.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet date.

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Company presents revenues net of goods and services tax in its statement of profit and loss.

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

**Ind AS 115 Revenue from Contracts with Customers**

**Revenue recognition:**

Effective April 1, 2018, the Company has adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method. The standard is applied only to contracts that are not completed as at the date of initial application of the standard i.e. April 1, 2018 and the comparative information is not restated in the standalone financial statements. The impact of the adoption of the standard on the standalone financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Arrangement with customers for services rendered by the Company are either on time and material or on fixed price basis. Revenue from contracts on time-and-material basis is recognised as the related services are performed. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and other variable considerations, if any, as specified in the contracts with the customers.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenue net of indirect taxes in its standalone statement of profit and loss.

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Advance billing is shown as contract liabilities under other current financial liabilities. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed period.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the benefit period.

**d. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in Singapore where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

• When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

• In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

**e. Property, plant and equipment**

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

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

The Company provides depreciation on property, plant and equipment (other than leasehold improvements) using the Written Down Value method. The rates of depreciation are arrived at, based on useful lives estimated by the management as follows:

| Block of assets | Estimated useful life (in years) |
|---|---|
| Office equipment | 5 |
| Computers | 3-6 |
| Furnitures and fixtures | 10 |
| Leasehold improvements | Lease term |

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

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

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

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

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

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

**h. Provisions and contingencies**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**i. Retirement and other employee benefits**

**Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no further obligations under these plans beyond its monthly contributions.

**j. Share - based payments**
Employees of the Company receives from the Holding Company, eClerx Services Limited, remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in 'Contribution from Holding Company' in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expenses are recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

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

**Financial assets**

***Initial recognition and measurement***
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

***Subsequent measurement***
For purposes of subsequent measurement financial assets are classified into three categories:
• Financial assets at fair value through OCI
• Financial assets at fair value through profit or loss
• Financial assets at amortised cost

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

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

**Derecognition**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**
The Company assesses impairment based on expected credit losses ("ECL") model to the following:
• Financial assets measured at amortised cost; and
• Financial assets measured at Fair value through other comprehensive income ("FVTOCI")

Expected credit losses ("ECL") are measured through a loss allowance at an amount equal to:
• the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
• full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance.
Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**

***Initial recognition and measurement***
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

***Subsequent measurement***
The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ("EIR") method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Derecognition**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

**m. Earnings per share**

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

**2.B. Fair Values**
The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has no financial assets and financial liabilities which are measured at fair value through profit or loss.

### 2.C. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### a. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### b. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the projections for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**3. Property, plant and equipment**

| | Computer hardware | Office equipments | Leasehold improvements | Furniture and fixtures | Total |
|---|---|---|---|---|---|
| | Amount in SGD | Amount in SGD | Amount in SGD | Amount in SGD | **Amount in SGD** |
| **Cost** | | | | | |
| **As at 1 April 2017** | 21,267 | 1,285 | - | - | **22,552** |
| Additions | 934 | 48,599 | 112,205 | 8,085 | **169,823** |
| Disposals | - | - | - | - | **-** |
| **As at 31 March 2018** | **22,201** | **49,884** | **112,205** | **8,085** | **192,375** |
| Additions | 21,780 | 2,390 | | 1,188 | **25,358** |
| Disposals | - | - | - | - | **-** |
| **As at 31 March 2019** | **43,981** | **52,274** | **112,205** | **9,273** | **217,733** |
| **Depreciation and impairment** | | | | | |
| **As at 1 April 2017** | 14,297 | 1,052 | - | - | 15,349 |
| Depreciation charge for the year | 4,762 | 4,945 | 4,673 | 436 | 14,816 |
| Disposals | - | - | - | - | **-** |
| **As at 31 March 2018** | **19,059** | **5,997** | **4,673** | **436** | **30,165** |
| Depreciation charge for the year | 8,973 | 20,764 | 22,441 | 2,250 | **54,428** |
| Disposals | - | - | - | - | **-** |
| **As at 31 March 2019** | **28,032** | **26,761** | **27,114** | **2,686** | **84,593** |
| **Net Book Value** | | | | | |
| **As at 31 March 2019** | **15,949** | **25,513** | **85,091** | **6,587** | **133,140** |
| **As at 31 March 2018** | **3,142** | **43,887** | **107,532** | **7,649** | **162,210** |

**Capital work in progress**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Furniture & fixtures | | 1,188 |
| **Total** | **-** | **1,188** |

**Intangible Assets**

| | Computer software |
|---|---|
| | Amount in SGD |
| **Cost** | |
| **As at 1 April 2017** | - |
| Additions on account of merger (refer not | - |
| Additions | - |
| Disposals | - |
| **As at 31 March 2018** | **-** |
| Additions | 503 |
| Disposals | - |
| **As at 31 March 2019** | **503** |
| **Depreciation and impairment** | |
| **As at 1 April 2017** | - |
| Additions on account of merger (refer not | - |
| Depreciation charge for the year | - |
| Disposals | - |
| **As at 31 March 2018** | **-** |
| Depreciation charge for the year | 132 |
| Disposals | - |
| **As at 31 March 2019** | **132** |
| **Net Book Value** | |
| **As at 31 March 2019** | **371** |
| **As at 31 March 2018** | **-** |

**Financial assets**

**4. Trade receivables**

| | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|
| Trade receivables | 1,052,478 | 885,830 |
| Receivables from other related parties | 557,627 | 541,333 |
| **Total trade receivables** | **1,610,105** | **1,427,163** |

| | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|
| **Outstanding for a period exceeding six months from the date they are due for payment** | | |
| Unsecured, considered good | - | - |
| **Other receivables** | | |
| Unsecured, considered good | 1,610,105 | 1,427,163 |
| Doubtful | - | - |
| Less: Provision for doubtful receivables | - | - |
| **Total trade receivables** | **1,610,105** | **1,427,163** |

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

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

| **5. Cash and cash equivalents** | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|
| Balances with banks: | | |
| In current accounts | 150,955 | 121,148 |
| | **150,955** | **121,148** |

**6. Other financial assets**

| | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|
| **Non-current** | | |
| Corporate premises rent deposits | 44,200 | 44,200 |
| Other deposits | 5,823 | 5,623 |
| | **50,023** | **49,823** |
| **Current** | | |
| Unbilled revenue | 366,433 | 179,854 |
| Other advances | 340,889 | 20,468 |
| Recoverable expenses from client | - | 11,637 |
| | **707,322** | **211,959** |
| | **757,345** | **261,782** |

**Break up of financial assets carried at amortised cost**

| | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|
| Trade receivables (refer note 4) | 1,610,105 | 1,427,163 |
| Cash and cash equivalents (refer note 5) | 150,955 | 121,148 |
| Other financial assets (refer note 6) | 757,345 | 261,782 |
| **Total financial assets carried at amortised cost** | **2,518,405** | **1,810,093** |

**7. Other current assets**

| | As at 31 March 2019 Amount in SGD | As at 31 March 2018 Amount in SGD |
|---|---|---|
| Prepaid expenses | 28,544 | 17,008 |
| | **28,544** | **17,008** |

## 8. Share capital

**Authorised share capital**

| | Equity shares | |
|---|---|---|
| | **As at 31 March 2019** | **As at 31 March 2018** |
| **Authorized share capital** | | |
| 1 (31 March 2017: 1) shares of SGD 1 each | 1 | 1 |
| **Issued, subscribed and fully paid up** | | |
| 1 (31 March 2017: 1) shares of SGD 1 each | 1 | 1 |

There has been no movement in share capital during the current and previous financial year.

**Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of SGD 1 per share. Each holder of equity shares is entitled to one vote per equity share.

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

| **Name of the shareholder** | **As at 31 March 2019** | | **As at 31 March 2018** | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| eClerx Services Limited | 1 | 100% | 1 | 100% |

## 9. Contribution from Holding Company

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| ESOP charge from Holding Company | | |
| Balance, beginning of the year | 98,373 | 91,664 |
| Charge / (credit) for the year (refer note 18) | 5,372 | 6,709 |
| **Balance, end of the year** | **103,745** | **98,373** |

## 10. Other equity

**Retained earnings**

| | Amount in SGD |
|---|---|
| **As at 1 April 2017** | **641,546** |
| Add: Profit during the year | 567,666 |
| **As at 31 March 2018** | **1,209,212** |
| Add: Profit during the year | 756,019 |
| **As at 31 March 2019** | **1,965,231** |

**Other reserves**

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Retained earnings | 1,965,231 | 1,209,212 |
| | **1,965,231** | **1,209,212** |

## 11. Employee benefit obligations

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| **Non Current** | | |
| Incentive to employees | 39,512 | - |
| **Current** | | |
| Incentive to employees | 60,598 | 256,757 |
| | **100,110** | **256,757** |

## 12. Trade payables

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Trade payables | 22,570 | - |
| Trade payables to related parties | 30,552 | 80,132 |
| | **53,122** | **80,132** |

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions with related parties, refer note 23.
- For explanations on the Company's credit risk management processes, refer note 25.
- Trade payables are measured at amortised cost.

## 13. Other financial liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Accrued expenses | 32,512 | 72,411 |
| Advance billing | 162,387 | 101,657 |
| Payables for capital expenditure | - | 82,404 |
| | **194,899** | **256,472** |

| | | |
|---|---|---|
| **Break up of financial liabilities at amortised cost** | | |
| Trade payables (refer note 12) | 53,122 | 80,132 |
| Other financial liabilities (refer note 13) | 194,899 | 256,472 |
| | **248,021** | **336,604** |

## 14. Other non-current liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Lease equalisation reserve | 1,874 | 1,874 |
| | **1,874** | **1,874** |

## 15. Other current liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Statutory dues | 67,700 | 48,843 |
| Lease equalisation reserve | - | (3,118) |
| | **67,700** | **45,725** |

## 16. Income taxes

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

**Statement of profit and loss:**
**Profit or loss section**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| **Current Income tax:** | | |
| Current income tax charged | 159,410 | 42,053 |
| Adjustment in respect of current income tax of previous year | 23,183 | (2,726) |
| Deferred tax | 7,120 | - |
| **Income tax expense reported in the statement of profit or loss** | **189,713** | **39,327** |

**Reconciliation of tax expense and the accounting profit multiplied by**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Accounting profit before income tax | 945,732 | 606,993 |
| Less: Non-deductible expenses on which tax is not applicable | 33,856 | (148,300) |
| Taxable profit | 979,588 | 458,693 |
| Income tax expense at Singapore's statutory income tax rate of 17% (31 March 2017: 17%) | 166,530 | 77,978 |
| Less: Income tax on exempt profits | - | (35,925) |
| Net taxable profits | 166,530 | 42,053 |
| Adjustments in respect of current income tax of previous years | 23,183 | (2,726) |
| Income tax expense reported in the statement of profit and loss at the effective income tax rate of 6.48% (31 March 2017: 2.50%) | **189,713** | **39,327** |

**Deferred tax:**
**Deferred tax relates to the following:**

| | Balance Sheet | | Profit & Loss | |
|---|---|---|---|---|
| | As at 31 March 2019 | As at 31 March 2018 | 31 March 2018 | 31 March 2017 |
| | Amount in SGD | Amount in SGD | Amount in SGD | Amount in SGD |
| Accelerated depreciation for tax purposes | (7,120) | - | 7,120 | - |
| **Deferred tax expense/(income)** | | | **7,120** | **-** |
| **Net deferred tax assets/(liabilities)** | **(7,120)** | **-** | | |

**Net deferred tax assets/(liabilities)**

Reflected in the balance sheet as follows:

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Deferred tax liabilities | (7,120) | - |
| **Deferred tax assets/(liabilities), net** | **(7,120)** | **-** |

**Reconciliation of deferred tax assets / (liabilities) (net):**

| | As at 31 March 2018 | As at 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Opening balance | - | - |
| Tax income/(expense) during the period recognised in profit or loss | 7,120 | - |
| **Closing balance** | **7,120** | **-** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**17. Revenue from operations**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Sale of services | 6,410,553 | 4,578,754 |
| | **6,410,553** | **4,578,754** |

The Company derives revenues primarily from Sales & marketing, Consulting and ITeS services.

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Arrangements with customers for ITeS related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under IndAS115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized rateably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as are deduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount there of cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues for the year ended 31 March 2019 and 31 March 2018 are as follows: **Amount in SGD**

| **Particulars** | **Year ended 31 March** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue from Sales & marketing, Consulting and ITeS services | 6,339,810 | 4,578,754 |
| Revenue from software development, licensing of software products & related services | 70,743 | - |
| **Total revenue from operations** | **6,410,553** | **4,578,754** |

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended 31 March, 2019 — **Amount in SGD**

| **Particulars** | **Total** |
|---|---|
| **Revenues by Geography** | |
| Asia Pacific | 6,217,465 |
| Europe | 184,892 |
| United Kingdom | 8,196 |
| **Total** | **6,410,553** |
| **Revenues by contract type** | |
| Fixed Price | 167,631 |
| Time & Materials | 6,242,922 |
| **Total** | **6,410,553** |

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

**Amount in SGD**

| **Particulars** | **Year ended 31 March,** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue as per contracted price | 6,474,422 | 4,592,387 |
| **Adjustments:** | - | - |
| Discount | 63,869 | 13,633 |
| **Revenue from contract with customers** | **6,410,553** | **4,578,754** |

**Trade Receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.
During the year ended 31 March, 2019 , the company recognized revenue of SGD 101,483 arising from opening unearned revenue as of 1 April , 2018.

During the year ended 31 March, 2019 , SGD 11,288 of unbilled revenue pertaining to fixed price development contracts as of 1 April, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at 31 March 2019, other than those meeting the exclusion criteria mentioned above, is SGD 15,050. Out of this, the Company expects to recognize revenue of around SGD 15,050 within the next one year. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended March 31, 2019 and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of SGD. 366,642 as at March 31, 2019 has been considered as a Non financial asset.

## 18. Employee benefits expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Salaries, wages and bonus | 4,317,013 | 2,982,217 |
| Employee stock compensation (credit) / charge | 5,372 | 6,709 |
| Staff welfare | 48 | |
| | **4,322,433** | **2,988,926** |

## 19. Depreciation and amortisation expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Depreciation of tangible assets (refer note 3) | 54,428 | 14,816 |
| Amortisation of intangible assets (refer note 3A) | 132 | |
| | **54,560** | **14,816** |

**20. Other expense**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Legal and professional charges | 153,328 | 160,934 |
| Office base rentals | 125,772 | 91,879 |
| Travelling expense | 96,331 | 58,523 |
| Loss on foreign exchange fluctuation (net) | 37,839 | 57,651 |
| Communication expense | 100,639 | 54,552 |
| Office expense | 2,662 | 9,297 |
| Auditor's remuneration | 9,300 | 7,242 |
| Computer and electrical consumables | 10,783 | 5,845 |
| Bank charges | 6,287 | 5,574 |
| Printing and stationery | 1,387 | 3,297 |
| Other insurance | 89 | 2,096 |
| Electricity | 1,291 | 541 |
| Business promotion | 15,547 | 480 |
| Housekeeping Services | 4,400 | |
| Subscription & membership fees | 6,159 | 190 |
| Repairs and maintenance | | |
| Building | 20 | - |
| | **571,834** | **458,101** |

**21. Earnings per share ("EPS")**

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

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Profit attributable to equity holders | 756,019 | 567,666 |
| | | |
| Weighted average number of equity shares for- | | |
| Basic EPS | 1 | 1 |
| Dilutive EPS | 1 | 1 |
| | | |
| **Earnings per equity share (in SGD)** | | |
| Basic | 756,019 | 567,666 |
| Diluted | 756,019 | 567,666 |

**22. Commitments**
**a. Leases**
**Operating lease commitments — Company as lessee**

The Company has entered into operating leases for office facilities and residential premises for employees, which include leases that are renewable on a yearly basis, cancellable at its option and other long term leases.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| Lease payments recognised in the statement of profit and loss | 125,772 | 91,879 |
| | | |
| **Future minimum lease payments for non-cancellable operating leases** | | |
| Within one year | 99,523 | 102,940 |
| After one year but not more than five years | 288,376 | 386,025 |
| **Total** | **387,899** | **488,965** |

**23. Related party transactions**
**A. Related Parties and Key Management Personnel**

**Name of related party and related party relationship**

**Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013**

**(a) Where control exists:**

1. eClerx Services Limited (Holding Company)

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

Fellow Subsidiary:
1. eClerx LLC

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

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

| Name | Nature of Transaction | Transactions during the year | | Outstanding Balance as at | |
|---|---|---|---|---|---|
| | | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | | Amount in SGD | Amount in SGD | Amount in SGD | Amount in SGD |
| eClerx Services Limited | Sale of services | 1,896,000 | 1,863,213 | 557,627 Receivable | 541,333 Receivable |
| | Subcontract charges | 105,118 | - | | |
| | Amount received by Holding Company on behalf of Company | - | 66,615 | | |
| | Equity contribution for stock options (refer note 9) | 5,372 | 6,709 | | |
| | Expenses incurred on behalf of Company by by Holding Company | 57,708 | 34,500 | | |
| | Amount received by Company on behalf of Holding Company | 202,554 | 135,793 | 30,552 Payable | 80,132 Payable |
| eClerx LLC | Expenses incurred on behalf of Company | - | 1,537 | - | 1,537 Payable |

**Terms and conditions of transactions with related parties**

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

## 24. Segment Information

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

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

| | For the year ended | |
|---|---|---|
| | **31 March 2019** | **31 March 2018** |
| | Amount in SGD | Amount in SGD |
| **Revenue from customers** | | |
| Asia Pacific | 6,217,465 | 4,578,754 |
| Europe | 184,892 | - |
| United Kingdom | 8,196 | - |
| **Total Revenue** | **6,410,553** | **4,578,754** |

The Company has two customers with revenue greater than 10% each of the total Company's revenue totalling to SGD 5,016,167 for the year ended 31 March 2019 and two customers with a revenue greater than 10% each of the Company revenue totalling SGD 3,797,023 for the year ended 31 March 2018.

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| | Amount in SGD | Amount in SGD |
| **Non - current operating assets** | | |
| Asia Pacific | 183,534 | 213,221 |
| **Total Assets** | **183,534** | **213,221** |

Note: Non-current operating assets for this purpose consists of property plant and equipment, capital work in progress , intangible asset and other non-current financial assets.

## 25. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance to the Board of Directors of eClerx Private Limited that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors of eClerx Private Limited reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits.

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

**Trade receivables**
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.
Trade receivables are evaluated by the Company based on specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables. The impairment is Nil as of 31 March 2018, Nil as of 31 March 2017.

**Liquidity risk**
Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in SGD

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **Year ended 31 March 2019** | | | | | |
| Other financial liabilities | - | 95,540 | 99,359 | - | 194,899 |
| Trade and other payables | - | 53,122 | - | - | 53,122 |
| | **-** | **148,662** | **99,359** | **-** | **248,021** |

Amount in SGD

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **Year ended 31 March 2018** | | | | | |
| Other financial liabilities | - | 219,102 | 37,370 | - | 256,472 |
| Trade and other payables | - | 43,818 | 36,314 | - | 80,132 |
| | **-** | **262,920** | **73,684** | **-** | **336,604** |

**Excessive risk concentration**
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

**26. Capital management**
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

## 27. Standards issued but not yet effective

### Ind AS 116 : Leases

On March 30, 2019, Ministry of Corporate Affairs has noted Ind AS 116, Leases. Ind AS 116 will replace the exisiting leases Standard, Ind AS 17, Leases, and related interpretations. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date of adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accouunting Estimates and Errors

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by;

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as;

1) Its carrying amount as if the Standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

### Ind AS 12 : Income Taxes

Appendix C, Uncertainity over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the Appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the Companies have used or plan to use in their income tax filiing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax laws), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., April 1, 2019 without adjusting comparatives.
The effect on adoption of Ind AS 12 Appendix C would be insignificant.

**Amendment to Ind AS 12** - Income Taxes; On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clairifies that and entity shal recognise the income tax consequences of dividends in profit and loss, othe comprehensive income or equity according to where the entitiy originally recognised both past transactions or events.

Effective date for application of this amenment is annual period beiginning on or after April1 , 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ' Employee Benefits', in connection with accounting for plan
The amendments require an entity;

1) to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement; and

2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if the surplus was not previously recognised because of the impact of asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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

**For and on behalf of the Board of Directors of eClerx Private Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Lionel Koh Jin Kiat**
Director

**eClerx Investments (UK) Limited**
**Balance Sheet as at 31 March 2019**

| | Notes | As at 31 March 2019 Amount in Rupees | As at 31 March 2018 Amount in Rupees |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Financial assets | | | |
| Investments | 3 | 1,183,988,595 | 1,183,988,595 |
| Long term loans | 5 | 401,607,851 | 520,551,282 |
| | | **1,585,596,446** | **1,704,539,877** |
| **Current assets** | | | |
| Financial assets | | | |
| Cash and cash equivalents | 4 | 214,187,102 | 132,774,692 |
| Short term loans | 5 | 7,929,400 | - |
| Other financial assets | 6 | 28,192 | - |
| Current tax assets (net) | | 1,244,984 | - |
| | | **223,389,678** | **132,774,692** |
| **Total assets** | | **1,808,986,124** | **1,837,314,569** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 7 | 1,808,643,203 | 1,808,643,203 |
| Other equity | 8 | (863,899) | 26,072,148 |
| **Total equity** | | **1,807,779,304** | **1,834,715,351** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Trade payables | 9 | 6,678 | - |
| Other financial liabilities | 10 | 1,200,142 | 1,050,169 |
| Current tax liabilities (net) | | - | 1,549,049 |
| | | **1,206,820** | **2,599,218** |
| **Total equity and liabilities** | | **1,808,986,124** | **1,837,314,569** |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors**
**of eClerx Investments (UK) Limited**

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Investments (UK) Limited**

**Statement of Profit and Loss for the year ended 31 March 2019**

| | Notes | For the year ended 31 March 2019<br>Amount in Rupees | For the year ended 31 March 2018<br>Amount in Rupees |
|---|---|---|---|
| Other income | 12 | 9,561,535 | 98,453,773 |
| **Total income** | | **9,561,535** | **98,453,773** |
| **Expenses** | | | |
| Employee benefits expense | 13 | 8,244,682 | 7,736,303 |
| Other expense | 14 | 28,252,900 | 2,246,147 |
| **Total expense** | | **36,497,582** | **9,982,450** |
| **Profit / (Loss) before tax** | | **(26,936,047)** | **88,471,323** |
| **Tax expense** | | | |
| Current tax | 11 | | |
| Pertaining to current year | | - | 3,069,182 |
| Adjustments in respect of current income tax of previous year | | - | - |
| **Income tax expense** | | **-** | **3,069,182** |
| **Profit / (Loss) for the year** | | **(26,936,047)** | **85,402,141** |
| Other comprehensive income for the year, net of tax | | - | - |
| **Total comprehensive income for the year, net of tax** | | **(26,936,047)** | **85,402,141** |
| **Profit / (Loss) per equity share (in Rs.)** | | | |
| Basic (Face value of GBP 1 each) | 16 | (5.13) | 16.26 |
| Diluted (Face value of GBP 1 each) | 16 | (1.44) | 4.57 |
| Summary of significant accounting policies | 2 | | |

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

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

**For and on behalf of the Board of Directors**
**of eClerx Investments (UK) Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Investments (UK) Limited**
**Statement of cash flow for the year ended**

| | Notes | 31 March 2019<br>Amount in Rupees | 31 March 2018<br>Amount in Rupees |
|---|---|---|---|
| **Operating activities** | | | |
| Profit / (Loss) before tax | | (26,936,047) | 88,471,323 |
| Adjustments to reconcile profit before tax to net cash flows: | | | |
| Interest income | 12 | (9,544,965) | (10,824,852) |
| (Gain)/ Loss on foreign exchange fluctuation (net) | 14 | 20,719,624 | (87,663,687) |
| | | **(15,761,388)** | **(10,017,216)** |
| **Working capital adjustments:** | | | |
| Decrease in long term and short term loans and advances and other financial assets | | (28,192) | 32,871,052 |
| (Decrease) / Increase in trade payables, other current and non current liabilities and financial liabilities | | 156,651 | (30,210,306) |
| **Cash generated by (used in) operating activities** | | **(15,632,929)** | **(7,356,470)** |
| Income tax paid (net of refunds) | | (2,794,033) | (6,357,336) |
| **Net cash flows from / (used in) operating activities** | | **(18,426,962)** | **(13,713,806)** |
| **Investing activities** | | | |
| Loan given to subsidiary | | (5,303,799) | (2,625,601) |
| Interest received (finance income) | | 9,544,965 | 10,824,852 |
| Repayment of loan and interest / (loan granted) during the year | | 95,598,206 | 69,698,505 |
| **Net cash flows from / (used in) investing activities** | | **99,839,372** | **77,897,756** |
| **Net increase in cash and cash equivalents** | | **81,412,410** | **64,183,950** |
| Cash and cash equivalents at the beginning of the year | | 132,774,692 | 68,590,742 |
| **Cash and cash equivalents at the year end** | | **214,187,102** | **132,774,692** |

Summary of significant accounting policies 2

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors**
**of eClerx Investments (UK) Limited**

**Anjan Malik**
Director

**Baljit Phull**
Director

**eClerx Investments (UK) Limited**
**Statement of changes in equity for the year ended 31 March 2019**

**a. Equity share capital**

| | No. of shares | Share capital |
|---|---|---|
| | | Amount in Rupees |
| Shares of GBP 1 each issued, subscribed and fully paid | | |
| Equity shares | 5,251,224 | 1,322,949,530 |
| Optionally convertible preference shares | 13,434,888 | 485,693,673 |
| **As at 1 April 2017** | **18,686,112** | **1,808,643,203** |
| **As at 1 April 2018** | **18,686,112** | **1,808,643,203** |
| **As at 31 March 2019** | **18,686,112** | **1,808,643,203** |

**b. Other equity**

**For the year ended 31 March 2019** **Amount in Rupees**

| Particulars | Retained earnings | Total other equity |
|---|---|---|
| **As at 1 April 2018** | 26,072,148 | 26,072,148 |
| Profit for the year | (26,936,047) | (26,936,047) |
| **As at 31 March 2019** | **(863,899)** | **(863,899)** |

**For the year ended 31 March 2018** **Amount in Rupees**

| Particulars | Retained earnings | Total other equity |
|---|---|---|
| **As at 1 April 2017** | (59,329,993) | (59,329,993) |
| Loss for the year | 85,402,141 | 85,402,141 |
| **As at 31 March 2018** | **26,072,148** | **26,072,148** |

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

**For and on behalf of the Board of Directors**
**of eClerx Investments (UK) Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Baljit Phull**
Director

### 1. Corporate information

eClerx Investments (UK) Limited (the "Company") was incorporated on 14 March 2015 in England and Wales. It is a wholly owned subsidiary of eClerx Services Limited, a Company incorporated in India.

## 2.A. Significant accounting policies

### 2.1 Basis of preparation

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

The financial statements have been prepared on historical cost basis.
The financial statements are presented in "Rs." and all values are stated Rupees, except when otherwise indicated.
However, as these financial statements are not statutory financial statements, full compliance with the Companies Act, 2013 is not required and so they do not reflect all disclosure requirements of the Companies Act, 2013.

### 2.2. Summary of significant accounting policies

#### a. Foreign currencies

The Company's financial statements are presented in Indian Rupees ("Rs."), which is also the Company's functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.
Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

#### b. Fair value measurement

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**c. Revenue recognition**

**Interest Income**
For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate ('EIR'), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. There was no effect on adoption of Ind AS 115 since the Company’s primary business is to make investments and earn income from interest or dividends out of these investments.

**d. Taxes**

**Current income tax**
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in United Kingdom where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

**Financial assets**

***Initial recognition and measurement***

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

***Subsequent measurement***

For purposes of subsequent measurement financial assets are classified into three categories:
• Financial assets at fair value through OCI
• Financial assets at fair value through profit or loss
• Financial assets at amortised cost

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

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**
The Company assesses impairment based on expected credit losses ("ECL") model to the following:
• Financial assets measured at amortised cost; and
• Financial assets measured at fair value through other comprehensive income ("FVTOCI")

Expected credit losses ("ECL") are measured through a loss allowance at an amount equal to:
• the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
• full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Company follows ‘simplified approach' for recognition of impairment loss allowance.
Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**

***Initial recognition and measurement***
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

***Subsequent measurement***
The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ("EIR") method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Derecognition**
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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

**h. Earnings per share**

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

**2.B. Fair Values**
The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The Company has no financial assets and financial laibilities which are measured at fair value through profit or loss.

**2.C. Significant accounting judgements, estimates and assumptions**
The preparation of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## 3. Investments

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| **Non current investments (Unqouted, carried at cost)** | | |
| Investments in equity shares of subsidiaries | | |
| CLX Europe S.P.A. | 1,181,400,155 | 1,181,400,155 |
| eClerx Canada Limited | 2,588,440 | 2,588,440 |
| | **1,183,988,595** | **1,183,988,595** |
| **Total Non- Current Investments** | **1,183,988,595** | **1,183,988,595** |
| Aggregate value of unquoted investments | 1,183,988,595 | 1,183,988,595 |

**Financial assets**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **4. Cash and cash equivalents** | Amount in Rupees | Amount in Rupees |
| Balances with banks: | | |
| In current accounts | 214,187,102 | 132,774,692 |
| | **214,187,102** | **132,774,692** |

## 5. Loans

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| **Non Current** | | |
| Loan to subsidiary - CLX Europe SPA | 401,607,851 | 517,925,681 |
| Loan to subsidiary - eClerx Canada Limited | - | 2,625,601 |
| | **401,607,851** | **520,551,282** |
| **Current** | | |
| Loan to subsidiary - eClerx Canada Limited | 7,929,400 | - |
| | **7,929,400** | **-** |
| | **409,537,251** | **520,551,282** |

**Loan to related parties**

The loan granted to CLX Europe SPA and eClerx Canada Limited is intended to support the working capital requirement of the subsidiary.The loan is unsecured and repayable in full. The interest rate charged is 2%.

## 6. Other financial assets

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| **Current** | | |
| Other advances | 28,192 | - |
| | **28,192** | **-** |

**Break up of financial assets carried at amortised cost**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Cash and cash equivalents (refer note 4) | 214,187,102 | 132,774,692 |
| Loans (refer note 5) | 409,537,251 | 520,551,282 |
| Other financial assets (refer note 6) | 28,192 | - |
| **Total financial assets carried at amortised cost** | **623,752,545** | **653,325,974** |

## 7. Share capital

**Authorised share capital**

| | Amount in Rupees | |
|---|---|---|
| | **As at 31 March 2019** | **As at 31 March 2018** |
| **Authorized share capital** | | |
| 13,434,888 Optionally convertible and redeemable preference shares (31 March 2018: 13,434,888) of GBP 1 each | 1,322,949,530 | 1,322,949,530 |
| 5,251,224 equity shares (31 March 2018: 5,251,224) of GBP 1 each | 485,693,673 | 485,693,673 |
| **Issued, subscribed and fully paid up** | | |
| 13,434,888 Optionally convertible and redeemable preference shares (31 March 2018: 13,434,888) of GBP 1 each | 1,322,949,530 | 1,322,949,530 |
| 5,251,224 equity shares (31 March 2018: 5,251,224) of GBP 1 each | 485,693,673 | 485,693,673 |
| **Total** | **1,808,643,203** | **1,808,643,203** |

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

**Preference shares**

| **Name of the shareholder** | **As at 31 March 2019** | | **As at 31 March 2018** | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| eClerx Services Limited | 13,434,888 | 100.00% | 13,434,888 | 100.00% |

**Equity shares**

| **Name of the shareholder** | **As at 31 March 2019** | | **As at 31 March 2018** | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| eClerx Services Limited | 5,251,224 | 100.00% | 5,251,224 | 100.00% |

## 8. Other equity

**Retained earnings**

| | Amount in Rupees |
|---|---|
| **As at 1 April 2017** | **(59,329,993)** |
| Add: Profit / (Loss) during the year | 85,402,141 |
| **As at 31 March 2018** | **26,072,148** |
| Add: Profit / (Loss) during the year | (26,936,047) |
| **As at 31 March 2019** | **(863,899)** |

**Other reserves**

| | **As at 31 March 2019** | **As at 31 March 2018** |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Retained earnings | (863,899) | 26,072,148 |
| | **(863,899)** | **26,072,148** |

## 9. Trade payables

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Trade payables | 6,678 | - |
| | **6,678** | **-** |

## 10. Other financial liabilities

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Accrued expenses | 1,200,142 | 1,050,169 |
| | **1,200,142** | **1,050,169** |
| **Break up of financial liabilities at amortised cost** | | |
| Other financial liabilities (refer note 10) | 1,200,142 | 1,050,169 |
| | **1,200,142** | **1,050,169** |

## 11. Income taxes

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

**Statement of profit and loss:**
**Profit or loss section**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| **Current Income tax:** | | |
| Current income tax charged | - | 3,069,182 |
| Adjustment in respect of current income tax of previous year | - | - |
| **Income tax expense reported in the statement of profit or loss** | **-** | **3,069,182** |

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2019 and 31 March 2018:

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Profit / (Loss) before tax | (26,936,047) | 88,471,323 |
| Add: Adjustments on account of change in the functional currency of the Company | - | (72,317,734) |
| Accounting profit before income tax* | (26,936,047) | 16,153,589 |
| At United Kingdom's statutory income tax rate of 19% (31 March 2018: 19%) | - | 3,069,182 |
| Adjustments in respect of current income tax of previous years | - | - |
| Income tax expense reported in the statement of profit and loss at the effective income tax rate of 19% (31 March 2018: 19%) | **-** | **3,069,182** |

* the GBP accounting profit is converted in equivalent INR for calculation

## 12. Other income

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Interest income on loan | 9,544,965 | 10,824,852 |
| Interest on income tax refund | 16,570 | 48,449 |
| Gain on foreign exchange fluctuation (net) | - | 87,580,472 |
| | **9,561,535** | **98,453,773** |

## 13. Employee benefit expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Salaries, wages and bonus | 8,244,682 | 7,736,303 |
| | **8,244,682** | **7,736,303** |

## 14. Other expense

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Legal and professional charges | 6,524,266 | 1,740,452 |
| Bank charges | 945,959 | 505,695 |
| Auditor remuneration | 171,685 | |
| Loss on foreign exchange fluctuation (net) | 20,610,990 | - |
| | **28,252,900** | **2,246,147** |

### 15. Details of non - current investments

| | As at 31 March | | Currency | Face value | As at 31 March | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | | | 2019 | 2018 |
| | No. of shares | | | | Amount in Rupees | |
| **Investments in equity shares of subsidiaries (fully paid up)** | | | | | | |
| CLX Europe S.P.A. | 23,311,779 | 23,311,779 | EUR | 1 | 1,181,400,155 | 1,181,400,155 |
| eClerx Canada Limited | 50,000 | 50,000 | CAD | 1 | 2,588,440 | 2,588,440 |
| **Total** | | | | | **1,183,988,595** | **1,183,988,595** |

### 16. Earnings per share ("EPS")

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

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| Profit / (Loss) attributable to equity holders | (26,936,047) | 85,402,141 |
| Weighted average number of equity shares for basic EPS | 5,251,224 | 5,251,224 |
| Weighted average number of equity shares adjusted for the effect of dilution | 18,686,112 | 18,686,112 |
| **Profit / (Loss) per equity share (in Rs.)** | | |
| Basic | (5.13) | 16.26 |
| Diluted | (1.44) | 4.57 |

## 17. Related party transactions
### A. Related Parties and Key Management Personnel

**Name of related party and related party relationship**

**Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013**

**(a) Where control exists:**

1. eClerx Services Limited (Holding Company)
2. CLX Europe S.P.A. (100% subsidiary)
3. Sintetik S.R.L. (100% subsidiary of CLX Europe S.P.A.)
4. CLX Europe Media Solution GmbH (100% subsidiary of CLX Europe S.P.A.)
5. CLX Europe Media Solution Limited (100% subsidiary of CLX Europe Media Solutions GmbH)
6. CLX Thai Company Limited (49% holding of CLX Europe S.P.A.)
7. eClerx Canada Limited (100% subsidiary)
8. eClerx Limited (Fellow subsidiary)

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

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

**Transactions with Wholly owned subsidiaries / Step down subsidiaries:**

| Name | Nature of Transaction | Transactions during the year | | Outstanding Balance as at | |
|---|---|---|---|---|---|
| | | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | | Amount in Rupees | Amount in Rupees | Amount in Rupees | Amount in Rupees |
| CLX Europe SPA | Repayment of loan | 116,317,830 | 69,698,505 | 401,607,851 Receivable | 517,925,681 Receivable |
| | Interest income | 9,389,355 | 10,819,540 | | |
| eClerx Limited | Expenses incurred by fellow subsidiary on behalf of Company | 56,528 | - | - | - |
| eClerx Canada Limited | Loan granted by the Company | 5,303,799 | 2,625,601 | 7,929,400 Receivable | 2,625,601 Receivable |
| | Interest income | 155,610 | 5,312 | | |

**Terms and conditions of transactions with related parties**

There have been no guarantees provided or received for any related party receivables or payables. Outstanding balances at the year end are unsecured and interest free and settlement occurs through banks.

**Compensation of key management personnel of the Company**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | Amount in Rupees | Amount in Rupees |
| **Anjan Malik** | | |
| Short-term employee benefits | 7,338,592 | 6,883,297 |
| **Total compensation paid to key management personnel** | **7,338,592** | **6,883,297** |

Note: The remuneration to the key management personnel does not include the provisions made for social security benefits, as they are determined on an actuarial basis for the Company as a whole.

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

**Loan to related parties**

The loan granted to CLX Europe SPA and eClerx Canada Limited is intended to support the working capital requirement of the subsidiary.The loan is unsecured and repayable in full. The interest rate charged is 2%.

**18. Segment Information**

The Company operates under a sigle reportable segment as it is an investment Company and does not have any active operations.

**19. Standards issued but not yet effective**

**Ind AS 116 : Leases**
On March 30, 2019, Ministry of Corporate Affairs has noted Ind AS 116, Leases. Ind AS 116 will replace the exisiting leases Standard, Ind AS 17, Leases, and related interpretations. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date of adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by;

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as;

1) Its carrying amount as if the Standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

**Ind AS 12 : Income Taxes**
Appendix C, Uncertainity over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the Appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the Companies have used or plan to use in their income tax filiing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax laws), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., April 1, 2019 without adjusting comparatives.
The effect on adoption of Ind AS 12 Appendix C would be insignificant.

**Amendment to Ind AS 12** - Income Taxes; On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clairifies that and entity shal recognise the income tax consequences of dividends in profit and loss, othe comprehensive income or equity according to where the entitiy originally recognised both past transactions or events.

Effective date for application of this amenment is annual period beiginning on or after April1 , 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ' Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity;

1) to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement; and

2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if the surplus was not previously recognised because of the impact of asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors**
**of eClerx Investments (UK) Limited**

**Anjan Malik**
Director

**Baljit Phull**
Director

**CLX EUROPE S.P.A.**
**Balance Sheet as at March 31, 2019** (Amount in EUR)

| | Balance Sheet - Assets (Euro) | As At March 31, 2019 | As At March 31, 2018 |
|---|---|---|---|
| A) | **SUBSCRIBED CAPITAL UNPAID** | | |
| B) | **FIXED ASSETS** | **22,869,395** | **24,058,587** |
| I) | **Intangible assets** | **11,090,843** | **12,280,533** |
| 1) | Start-up and expansion costs | | **-** |
| 2) | Patent and intellectual property rights | 76,664 | 112,415 |
| 3) | Concession, licenses, trademarks and similar rights | 4,765 | 6,425 |
| 4) | Goodwill and consolidation difference | 10,814,951 | 11,890,287 |
| 5) | Assets under construction and advances | | - |
| 6) | Other | 194,462 | 271,407 |
| II) | **Tangible assets** | **682,588** | **642,016** |
| 1) | Plant and machinery | 610,658 | 584,469 |
| 2) | Industrial and commercial equipment | 21,306 | 19,048 |
| 3) | Other tangible assets | 50,623 | 38,500 |
| III) | **Financial assets** | **11,095,964** | **11,136,038** |
| 1) | Investments in | 10,230,444 | 10,240,444 |
| a) | *- subsidiaries* | 10,230,444 | 10,240,444 |
| b) | *- related companies* | | |
| 2) | **Receivables** | 865,520 | 895,594 |
| a) | *- from subsidiaries after 12 months* | *860,268* | *890,498* |
| b) | *- from other companies* | *5,252* | *5,096* |
| C) | **CURRENT ASSETS** | **7,835,994** | **8,711,325** |
| I) | **Inventory** | **142,266** | **137,587** |
| 1) | Row materials, ancillaries and consumables | 30,537 | 38,277 |
| 2) | Work in progress of services | 111,729 | 99,309 |
| II) | **Receivables** | **5,555,630** | **6,422,384** |
| 1) | Trade receivables falling due within 12 months | 3,408,705 | 5,098,364 |
| 2) | Receivables from subsidiaries | 1,727,694 | 960,682 |
| 3) | Receivables from parent companies due within 12 months | 193,599 | 132,854 |
| | Receivables from parent companies due after 12 months | | |
| 4-bis) | Receivables from the Treasury falling due within 12 months | 9,181 | 3,102 |
| | Receivables from the Treasury falling due after 12 months | 136,880 | 136,880 |
| 4-ter) | Deferred tax falling due within 12 months | 33,051 | 14,792 |
| | Deferred tax falling due after 12 months | | |
| 5) | Other receivables falling due within 12 months | 46,519 | 75,709 |
| III) | **Cash and bank** | **2,138,099** | **2,151,355** |
| 1) | Bank and postal deposits | 2,134,083 | 2,149,908 |
| 2) | Cash on hand | 4,015 | 1,448 |
| D) | **ACCRUED INCOME AND PREPAID EXPENSES** | 165,889 | 240,205 |
| | **TOTAL ASSETS** | **30,871,278** | **33,010,118** |

**For and on behalf of the Board of Directors**
**of CLX Europe S.P.A**

Baljit Phull
Director

**CLX EUROPE S.P.A.**
**Balance Sheet as at March 31, 2019** **(Amount in EUR)**

| | Balance Sheet - Stockholders' Equity and Liabilities | As At March 31, 2019 | As At March 31, 2018 |
|---|---|---|---|
| **A)** | **SHAREHOLDERS' EQUITY** | **18,582,227** | **18,211,929** |
| **I)** | Share capital | 23,311,779 | 23,311,779 |
| **II)** | Share premium reserve | | |
| **III)** | Revaluation reserves | | |
| **IV)** | Legal reserve | 13,860 | 13,860 |
| **V)** | Reserve for Treasury shares | | |
| **VI)** | Other reserves | 42,909 | |
| **VII)** | Retained earning | (5,130,825) | (4,872,108) |
| **VIII)** | Profit (loss) for the year | 344,504 | -241,601 |
| **B)** | **PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS** | 53,421 | 64,964 |
| **C)** | **STAFF LEAVING INDEMNITY** | **1,340,617** | **1,392,734** |
| **D)** | **PAYABLES** | **10,858,804** | **13,340,492** |
| **1)** | Shareholders Loan falling due after 12 months | 5,166,124 | 6,451,674 |
| **2)** | Bank loans and overdrafts falling due within 12 months | | 621,413 |
| | Bank loans and overdrafts falling due after 12 months | | |
| **3)** | Payments on account falling due within 12 months | 50,168 | 168,450 |
| **4)** | Trade payables falling due within 12 months | 967,730 | 1,697,537 |
| **5)** | Payables to subsidiaries falling due within 12 months | 2,897,584 | 2,751,737 |
| | Payables to subsidiaries falling due after 12 months | 83,868 | 83,868 |
| **6)** | Payables to parent companies falling within 12 months | 192,660 | 136,675 |
| **7)** | Tax payables falling due within 12 months | 256,791 | 122,837 |
| **8)** | Social security payables falling within 12 months | 262,137 | 259,050 |
| **9)** | Other payables falling due within 12 months | 981,743 | 1,047,249 |
| **E)** | **ACCRUED EXPENSES AND DEFERRED INCOME** | **36,209** | |
| | **TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES** | **30,871,278** | **33,010,118** |

**For and on behalf of the Board of Directors**
**of CLX Europe S.P.A**

Baljit Phull
Director

**CLX EUROPE S.P.A.**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

| | Income Statement | Year ended March 31, 2019 | (Amount in EUR) Year ended March 31, 2018 |
|---|---|---|---|
| **A)** | **VALUE OF PRODUCTION** | **18,968,442** | **18,805,634** |
| **1)** | Revenue from sales and services | 18,754,878 | 18,586,552 |
| **2)** | Change in inventory of work in progress, semi-finished and finished goods | 12,420 | (2,967) |
| **3)** | Own work capitalized | 116,754 | 117,754 |
| **4)** | Other income | 84,390 | 104,295 |
| **B)** | **COST OF PRODUCTION** | **(18,024,669)** | **(18,408,147)** |
| **5)** | Cost of raw materials, consumables, spare parts and other goods | (191,210) | (259,977) |
| **6)** | Costs of services | (7,707,879) | (8,489,696) |
| **7)** | Costs of utilization of third parties' assets | (751,764) | (730,532) |
| **8)** | Personnel costs: | (7,514,656) | (6,928,736) |
| **a)** | *Salaries and wages* | (5,471,662) | (5,075,357) |
| **b)** | *Social contributions* | (1,623,440) | (1,467,683) |
| **c)** | *Employee severance indemnity* | (407,845) | (381,081) |
| **d)** | *Other costs* | *(11,709)* | *(4,616)* |
| **9)** | Depreciation and write-downs | (1,799,597) | (1,828,643) |
| **a)** | *Amortization of intangible assets* | (1,474,485) | (1,552,439) |
| **b)** | *Depreciation of tangible assets* | (285,112) | (225,509) |
| **c)** | *Other write-downs of assets* | | |
| **d)** | *Write-downs of receivables included in current assets and cash* | (40,000) | (50,694) |
| **10)** | Change in stock of raw materials, consumables, spare parts and other goods | (7,740) | 16,892 |
| **11)** | Accruals for contingencies | | |
| **12)** | Other operating charge | (51,821) | (187,456) |
| | **DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)** | **943,773** | **397,487** |
| **C)** | **FINANCIAL INCOME AND CHARGES** | **7,551** | **(242,309)** |
| **13)** | Other financial income | 21,829 | 20,300 |
| **a)** | *- intra group* | 21,533 | 19,940 |
| **b)** | *- Other* | 296 | 360 |
| **14)** | Interest and other financial charges | (130,396) | (162,951) |
| **a)** | *- interest from intra group* | (4,208) | (3,647) |
| **b)** | *- interest from parent companies* | (116,661) | (140,702) |
| **c)** | *- interest from others* | (9,528) | (18,602) |
| **15)** | Exchange Profit & Losses | 116,119 | (99,658) |
| **D)** | **ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS** | **0** | **0** |
| **16)** | Write-down *of equity investments* | ***0*** | ***0*** |
| **E)** | **EXTRAORDINARY INCOME AND EXPENSES** | **0** | **0** |
| **17)** | Income | | |
| **18)** | Charges | | |
| | **RESULT BEFORE TAX** | **951,324** | **155,178** |
| **19)** | Income tax for the period | (606,820) | (396,779) |
| **a)** | *current tax* | (606,820) | (396,779) |
| **b)** | *deferred tax liabilities* | | *0* |
| **c)** | *anticipated tax assets* | | 0 |
| | **PROFIT FOR THE YEAR** | **344,504** | **(241,601)** |

**For and on behalf of the Board of Directors**
**of CLX Europe S.P.A**

Baljit Phull
Director

**CLX Thai Co. Ltd**
**BALANCE SHEET AS AT MARCH 31, 2019**

| | | As at March 31, 2019 | (Amount in THB) As at March 31, 2018 |
|---|---|---|---|
| | **Balance Sheet - Assets** | | |
| **A)** | **SUBSCRIBED CAPITAL UNPAID** | | |
| **B)** | **FIXED ASSETS** | **24,145,674** | **24,490,090** |
| **I)** | **Intangible assets** | **77,512** | **129,531** |
| **1)** | Start-up and expansion costs | | **-** |
| **2)** | Patent and intellectual property rights | 77,512 | 129,531 |
| **3)** | Concession, licenses, trademarks and similar rights | | |
| **4)** | Goodwill and consolidation difference | | |
| **5)** | Assets under construction and advances | | - |
| **6)** | Other | | |
| **II)** | **Tangible assets** | **19,992,228** | **20,377,325** |
| **1)** | Land & Building | 16,231,211 | 16,584,659 |
| **2)** | Plant and machinery | 2,721,149 | 2,797,564 |
| **3)** | Industrial and commercial equipment | 448,639 | 481,292 |
| **4)** | Other tangible assets | 591,230 | 513,810 |
| **III)** | **Financial assets** | **4,075,934** | **3,983,234** |
| **1)** | Investments in | | |
| **a)** | *- subsidiaries* | | |
| **b)** | *- related companies* | | |
| **2)** | **Receivables** | 4,075,934 | 3,983,234 |
| **a)** | *- from subsidiaries after 12 months* | | |
| **b)** | Receivables from parent companies due after 12 months | *3,373,609* | *3,373,616* |
| **c)** | *- from other companies* | *702,325* | *609,618* |
| **C)** | **CURRENT ASSETS** | **18,004,743** | **15,125,660** |
| **I)** | **Inventory** | **174,597** | **174,597** |
| **1)** | Row materials, ancillaries and consumables | 174,597 | 174,597 |
| **2)** | Work in progress of services | | |
| **II)** | **Receivables** | **13,030,197** | **11,592,388** |
| **1)** | Trade receivables falling due within 12 months | | |
| **2)** | Receivables from subsidiaries | | |
| **3)** | Receivables from parent companies due within 12 months | 12,838,577 | 11,070,569 |
| | Receivables from parent companies due after 12 months | | |
| **4-bis)** | Receivables from the Treasury falling due within 12 months | | |
| | Receivables from the Treasury falling due after 12 months | | |
| **4-ter)** | Deferred tax falling due within 12 months | 189,620 | 399,591 |
| | Deferred tax falling due after 12 months | | |
| **5)** | Other receivables falling due within 12 months | 2,000 | 122,228 |
| **III)** | **Cash and bank** | **4,799,949** | **3,358,675** |
| **1)** | Bank and postal deposits | 4,784,510 | 3,351,888 |
| **2)** | Cash on hand | 15,439 | 6,788 |
| **D)** | **ACCRUED INCOME AND PREPAID EXPENSES** | 601,262 | 979,172 |
| | **TOTAL ASSETS** | **42,751,679** | **40,594,921** |

**For and on behalf of the Board of Directors**
**of CLX Thai Co. Ltd.**

Simone Ferrarese
Director

**CLX Thai Co. Ltd**
**BALANCE SHEET AS AT MARCH 31, 2019**

| | Balance Sheet - Stockholders' Equity and Liabilities | As at March 31, 2019 | (Amount in THB) As at March 31, 2018 |
|---|---|---|---|
| **A)** | **SHAREHOLDERS' EQUITY** | **5,865,015** | **5,218,272** |
| **I)** | Share capital | 6,000,000 | 6,000,000 |
| **II)** | Share premium reserve | | |
| **III)** | Revaluation reserves | | |
| **IV)** | Legal reserve | | |
| **V)** | Reserve for Treasury shares | | |
| **VI)** | Other reserves | | |
| **VII)** | Retained earning | (464,259) | (958,574) |
| **VIII)** | Profit (loss) for the year | 329,274 | 176,846 |
| **B)** | **PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS** | 3,872,917 | 2,689,442 |
| **C)** | **STAFF LEAVING INDEMNITY** | | |
| **D)** | **PAYABLES** | **33,013,747** | **32,687,209** |
| **1)** | Shareholders Loan falling due after 12 months | | |
| **2)** | Bank loans and overdrafts falling due within 12 months | | |
| | Bank loans and overdrafts falling due after 12 months | | |
| **3)** | Payments on account falling due within 12 months | | |
| **4)** | Trade payables falling due within 12 months | 835,279 | 1,170,009 |
| **5)** | Payables to subsidiaries falling due within 12 months | | |
| | Payables to subsidiaries falling due after 12 months | | |
| **6)** | Payables to parent companies falling after 12 months | 31,085,272 | 30,422,248 |
| **7)** | Tax payables falling due within 12 months | 266,489 | 477,405 |
| **8)** | Social security payables falling within 12 months | 262,642 | 258,192 |
| **9)** | Other payables falling due within 12 months | 564,065 | 359,356 |
| **E)** | **ACCRUED EXPENSES AND DEFERRED INCOME** | | |
| | **TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES** | **42,751,679** | **40,594,922** |

**For and on behalf of the Board of Directors**
**of CLX Thai Co. Ltd.**

Simone Ferrarese
Director

**CLX Thai Co. Ltd**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

| | | Year ended March 31, 2019 | (Amount in THB) Year ended March 31, 2018 |
|---|---|---|---|
| **A)** | **VALUE OF PRODUCTION** | **78,797,232** | **74,160,225** |
| **1)** | Revenue from sales and services | 78,667,802 | 73,991,547 |
| **2)** | Change in inventory of work in progress, semi-finished and finished goods | | |
| **3)** | Own work capitalized | | |
| **4)** | Other income | 129,430 | 168,678 |
| **B)** | **COST OF PRODUCTION** | **(77,059,649)** | **(73,505,218)** |
| **5)** | Cost of raw materials, consumables, spare parts and other goods | (357,873) | (342,389) |
| **6)** | Costs of services | (11,371,305) | (13,764,671) |
| **7)** | Costs of utilization of third parties' assets | (2,265,067) | (1,767,111) |
| **8)** | Personnel costs: | (60,780,691) | (54,223,293) |
| **a)** | *Salaries and wages* | (53,669,889) | (47,889,620) |
| **b)** | *Social contributions* | (3,240,520) | (2,852,124) |
| **c)** | *Employee severance indemnity* | (1,183,475) | (1,116,426) |
| **d)** | *Other costs* | (2,686,807) | (2,365,123) |
| **9)** | Depreciation and write-downs | (2,085,854) | (3,166,757) |
| **a)** | *Amortization of intangible assets* | (65,169) | (403,919) |
| **b)** | *Depreciation of tangible assets* | (2,020,685) | (2,762,838) |
| **c)** | *Other write-downs of assets* | | |
| **d)** | *Write-downs of receivables included in current assets and cash* | | |
| **10)** | Change in stock of raw materials, consumables, spare parts and other goods | | |
| **11)** | Accruals for contingencies | | |
| **12)** | Other operating charge | (198,861) | (240,997) |
| | **DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)** | **1,737,583** | **655,007** |
| **C)** | **FINANCIAL INCOME AND CHARGES** | **(1,210,051)** | **(160,691)** |
| **13)** | Other financial income | 120,124 | 128,042 |
| **a)** | *- intra group* | | |
| **b)** | *- Other* | 120,124 | 128,042 |
| **14)** | Interest and other financial charges | (767,251) | (767,251) |
| **a)** | *- interest from intra group* | | |
| **b)** | *- interest from parent companies* | (767,251) | (767,251) |
| **c)** | *- interest from others* | | |
| **15)** | Exchange Profit & Losses | (562,924) | 478,518 |
| **D)** | **ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS** | **0** | **0** |
| **16)** | Write-down *of equity investments* | | |
| **E)** | **EXTRAORDINARY INCOME AND EXPENSES** | **0** | **0** |
| **17)** | Income | 0 | 0 |
| **18)** | Charges | | |
| | **RESULT BEFORE TAX** | **527,532** | **494,316** |
| **19)** | Income tax for the period | (198,257) | (317,470) |
| **a)** | *current tax* | (198,257) | (317,470) |
| **b)** | *deferred tax liabilities* | | |
| **c)** | *anticipated tax assets* | | |
| | **PROFIT FOR THE YEAR** | **329,274** | **176,846** |

**For and on behalf of the Board of Directors**
**of CLX Thai Co. Ltd.**

Simone Ferrarese
Director

**CLX EUROPE MEDIA SOLUTION GMBH**
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amount in EUR)

| | Balance Sheet - Assets | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **A)** | **SUBSCRIBED CAPITAL UNPAID** | | |
| **B)** | **FIXED ASSETS** | **15,060** | **18,746** |
| **I)** | **Intangible assets** | **3,974** | **12,721** |
| **1)** | Start-up and expansion costs | | **-** |
| **2)** | Patent and intellectual property rights | 791 | 3,046 |
| **3)** | Concession, licenses, trademarks and similar rights | | |
| **4)** | Goodwill and consolidation difference | | |
| **5)** | Assets under construction and advances | | - |
| **6)** | Other | 3,183 | 9,675 |
| **II)** | **Tangible assets** | **11,083** | **6,022** |
| **1)** | Plant and machinery | 9,947 | 3,839 |
| **2)** | Industrial and commercial equipment | | |
| **3)** | Other tangible assets | 1,136 | 2,183 |
| **4)** | Assets under construction and advances | | |
| **III)** | **Financial assets** | **3** | **3** |
| **1)** | Investments in | 3 | 3 |
| **a)** | *- subsidiaries* | 3 | 3 |
| **b)** | *- related companies* | | |
| **2)** | **Receivables** | | 0 |
| **a)** | *- from subsidiaries after 12 months* | | |
| **b)** | *- from other companies* | | |
| **C)** | **CURRENT ASSETS** | **3,009,522** | **2,771,660** |
| **I)** | **Inventory** | **5,771** | **3,484** |
| **1)** | Row materials, ancillaries and consumables | 5,771 | 3,484 |
| **2)** | Work in progress of services | | |
| **II)** | **Receivables** | **2,827,078** | **2,587,146** |
| **1)** | Trade receivables falling due within 12 months | 181,596 | 171,323 |
| **2)** | Receivables from subsidiaries | | |
| **3)** | Receivables from parent companies due within 12 months | 2,613,132 | 2,407,589 |
| | Receivables from parent companies due after 12 months | | |
| **4-bis)** | Receivables from the Treasury falling due within 12 months | 32,350 | |
| | Receivables from the Treasury falling due after 12 months | | |
| **4-ter)** | Deferred tax falling due within 12 months | | |
| | Deferred tax falling due after 12 months | | |
| **5)** | Other receivables falling due within 12 months | | 8,234 |
| **III)** | **Cash and bank** | **176,673** | **181,030** |
| **1)** | Bank and postal deposits | 175,525 | 177,569 |
| **2)** | Cash on hand | 1,148 | 3,461 |
| **D)** | **ACCRUED INCOME AND PREPAID EXPENSES** | 10,776 | 29,615 |
| | **TOTAL ASSETS** | **3,035,358** | **2,820,021** |

**For and on behalf of the Board of Directors**
**of CLX Eurpore Media Solution GmbH**

Director

**CLX EUROPE MEDIA SOLUTION GMBH**
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amount in EUR)

| | Balance Sheet - Stockholders' Equity and Liabilities | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **A)** | **SHAREHOLDERS' EQUITY** | **2,697,178** | **2,534,114** |
| **I)** | Share capital | 511,292 | 511,292 |
| **II)** | Share premium reserve | | |
| **III)** | Revaluation reserves | | |
| **IV)** | Legal reserve | | |
| **V)** | Reserve for Treasury shares | | |
| **VI)** | Other reserves | 4 | -1 |
| **VII)** | Retained earning | 2,022,823 | 1,810,143 |
| **VIII)** | Profit (loss) for the year | 163,059 | 212,680 |
| **B)** | **PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS** | | |
| **C)** | **STAFF LEAVING INDEMNITY** | | |
| **D)** | **PAYABLES** | **338,180** | **285,907** |
| **1)** | Shareholders Loan falling due after 12 months | | |
| **2)** | Bank loans and overdrafts falling due within 12 months | | |
| **3)** | Bank loans and overdrafts falling due after 12 months | | |
| **4)** | Payments on account falling due within 12 months | | |
| **5)** | Trade payables falling due within 12 months | 24,192 | 59,143 |
| **6)** | Payables to subsidiaries falling due within 12 months | | |
| **7)** | Payables to subsidiaries falling due after 12 months | | |
| **8)** | Payables to parent companies falling within 12 months | 80,402 | 89,506 |
| **9)** | Tax payables falling due within 12 months | 160,258 | 88,827 |
| **10)** | Social security payables falling within 12 months | | |
| **11)** | Other payables falling due within 12 months | 73,328 | 48,431 |
| **E)** | **ACCRUED EXPENSES AND DEFERRED INCOME** | | |
| | **TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES** | **3,035,358** | **2,820,021** |

**For and on behalf of the Board of Directors**
**of CLX Eurpore Media Solution GmbH**

**Director**

**CLX EUROPE MEDIA SOLUTION GMBH**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(Amount in EUR)

| | | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|---|
| **A)** | **VALUE OF PRODUCTION** | **2,231,632** | **2,207,651** |
| **1)** | Revenue from sales and services | 2,227,771 | 2,188,766 |
| **2)** | Change in inventory of work in progress, semi-finished and finished goods | | |
| **3)** | Own work capitalized | | |
| **4)** | Other income | 3,861 | 18,885 |
| **B)** | **COST OF PRODUCTION** | **(1,984,980)** | **(1,884,098)** |
| **5)** | Cost of raw materials, consumables, spare parts and other goods | (12,928) | (3,408) |
| **6)** | Costs of services | (1,210,030) | (1,151,132) |
| **7)** | Costs of utilization of third parties' assets | (59,876) | (54,970) |
| **8)** | Personnel costs: | (683,973) | (645,272) |
| **a)** | *Salaries and wages* | (552,402) | (520,875) |
| **b)** | *Social contributions* | (131,571) | (124,397) |
| **c)** | *Employee severance indemnity* | | |
| **d)** | *Other costs* | | |
| **9)** | Depreciation and write-downs | (16,753) | (23,918) |
| **a)** | *Amortization of intangible assets* | (8,747) | (8,601) |
| **b)** | *Depreciation of tangible assets* | (8,006) | (15,317) |
| **c)** | *Other write-downs of assets* | | |
| **d)** | *Write-downs of receivables included in current assets and cash* | | |
| **10)** | Change in stock of raw materials, consumables, spare parts and other goods | 2,287 | |
| **11)** | Accruals for contingencies | | |
| **12)** | Other operating charge | (3,707) | (5,398) |
| | **DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)** | **246,652** | **323,553** |
| **C)** | **FINANCIAL INCOME AND CHARGES** | **4,208** | **3,647** |
| **13)** | Other financial income | | |
| **a)** | *- intra group* | | |
| **b)** | *- Other* | | |
| **14)** | Interest and other financial charges | 4,208 | 3,647 |
| **a)** | *- interest from intra group* | | |
| **b)** | *- interest from parent companies* | 4,208 | 3,647 |
| **c)** | *- interest from others* | | |
| **15)** | Exchange Profit & Losses | | |
| **D)** | **ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS** | **0** | **0** |
| **16)** | Write-down<br>*of equity investments* | | |
| **E)** | **EXTRAORDINARY INCOME AND EXPENSES** | **0** | **0** |
| **17)** | Income | | |
| **18)** | Charges | | |
| | **RESULT BEFORE TAX** | **250,860** | **327,200** |
| **19)** | Income tax for the period | (87,801) | (114,520) |
| **a)** | *current tax* | (87,801) | (114,520) |
| **b)** | *deferred tax liabilities* | | |
| **c)** | *anticipated tax assets* | | |
| | **PROFIT FOR THE YEAR** | **163,059** | **212,680** |

**For and on behalf of the Board of Directors**
**of CLX Eurpore Media Solution GmbH**

**Director**

**CLX Europe Media Solution Limited**
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amount in GBP)

| | Balance Sheet - Assets | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **A)** | **SUBSCRIBED CAPITAL UNPAID** | | |
| **B)** | **FIXED ASSETS** | **11,670** | **20,322** |
| **I)** | **Intangible assets** | **4,599** | **10,520** |
| **1)** | Start-up and expansion costs | | **-** |
| **2)** | Patent and intellectual property rights | | |
| **3)** | Concession, licenses, trademarks and similar rights | | |
| **4)** | Goodwill and consolidation difference | | |
| **5)** | Assets under construction and advances | | - |
| **6)** | Other | 4,599 | 10,520 |
| **II)** | **Tangible assets** | **7,071** | **9,802** |
| **1)** | Plant and machinery | | |
| **2)** | Industrial and commercial equipment | | |
| **3)** | Other tangible assets | 7,071 | 9,802 |
| **III)** | **Financial assets** | **0** | **0** |
| **1)** | Investments in | 0 | 0 |
| **a)** | *- subsidiaries* | | |
| **b)** | *- related companies* | | |
| 2) | **Receivables** | | 0 |
| **a)** | *- from subsidiaries after 12 months* | | |
| **b)** | *- from other companies* | | |
| **C)** | **CURRENT ASSETS** | **2,442,918** | **1,741,872** |
| **I)** | **Inventory** | **44,294** | **114,644** |
| **1)** | Row materials, ancillaries and consumables | 4,294 | 7,177 |
| **2)** | Work in progress of services | 40,000 | 107,467 |
| **II)** | **Receivables** | **957,450** | **1,394,966** |
| **1)** | Trade receivables falling due within 12 months | 957,450 | 1,376,927 |
| **2)** | Receivables from subsidiaries | | |
| **3)** | Receivables from parent companies due within 12 months | | 14,484 |
| | Receivables from parent companies due after 12 months | | |
| **4-bis)** | Receivables from the Treasury falling due within 12 months | | |
| | Receivables from the Treasury falling due after 12 months | | |
| **4-ter)** | Deferred tax falling due within 12 months | | |
| | Deferred tax falling due after 12 months | | |
| **5)** | Other receivables falling due within 12 months | | 3,555 |
| **III)** | **Cash and bank** | **1,441,174** | **232,262** |
| **1)** | Bank and postal deposits | 1,440,972 | 232,060 |
| **2)** | Cash on hand | 202 | 202 |
| **D)** | **ACCRUED INCOME AND PREPAID EXPENSES** | 26,665 | 83,232 |
| | **TOTAL ASSETS** | **2,481,253** | **1,845,425** |

**For and on behalf of the Board of Directors**
**of CLX Eurpore Media Solution Limited**

| | |
|---|---|
| Anjan Malik | Baljit Phull |
| Director | Director |

**CLX Europe Media Solution Limited**
**BALANCE SHEET AS AT MARCH 31, 2019**

(Amount in GBP)

| | Balance Sheet - Stockholders' Equity and Liabilities | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **A)** | **SHAREHOLDERS' EQUITY** | **824,566** | **874,779** |
| **I)** | Share capital | 2 | 2 |
| **II)** | Share premium reserve | | |
| **III)** | Revaluation reserves | | |
| **IV)** | Legal reserve | | |
| **V)** | Reserve for Treasury shares | | |
| **VI)** | Other reserves | | |
| **VII)** | Retained earning | 874,777 | 884,780 |
| **VIII)** | Profit (loss) for the year | (50,214) | (10,003) |
| **B)** | **PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS** | 401 | 401 |
| **C)** | **STAFF LEAVING INDEMNITY** | | |
| **D)** | **PAYABLES** | **1,650,135** | **932,683** |
| **1)** | Shareholders Loan falling due after 12 months | | |
| **2)** | Bank loans and overdrafts falling due within 12 months | | |
| | Bank loans and overdrafts falling due after 12 months | | |
| **3)** | Payments on account falling due within 12 months | | |
| **4)** | Trade payables falling due within 12 months | 49,213 | 31,195 |
| **9)** | Payables to subsidiaries falling due within 12 months | | |
| | Payables to subsidiaries falling due after 12 months | | |
| **10)** | Payables to parent companies falling within 12 months | 1,454,555 | 753,678 |
| **11)** | Tax payables falling due within 12 months | 145,195 | 146,966 |
| **12)** | Social security payables falling within 12 months | 1,172 | 845 |
| **13)** | Other payables falling due within 12 months | | |
| **E)** | **ACCRUED EXPENSES AND DEFERRED INCOME** | **6,152** | **37,562** |
| | **TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES** | **2,481,253** | **1,845,425** |

**For and on behalf of the Board of Directors**
**of CLX Eurpore Media Solution Limited**

| | |
|---|---|
| Anjan Malik | Baljit Phull |
| Director | Director |

**CLX Europe Media Solution Limited**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

(Amount in GBP)

| | | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| **A)** | **VALUE OF PRODUCTION** | **4,078,094** | **4,133,089** |
| **1)** | Revenue from sales and services | 3,989,149 | 4,025,404 |
| **2)** | Change in inventory of work in progress, semi-finished and finished goods | 40,000 | 107,467 |
| **3)** | Own work capitalized | | |
| **4)** | Other income | 48,945 | 218 |
| **B)** | **COST OF PRODUCTION** | **(4,095,457)** | **(4,051,625)** |
| **5)** | Cost of raw materials, consumables, spare parts and other goods | | |
| **6)** | Costs of services | (3,471,682) | (3,390,337) |
| **7)** | Costs of utilization of third parties' assets | (49,790) | (69,180) |
| **8)** | Personnel costs: | (557,711) | (578,777) |
| **a)** | *Salaries and wages* | (489,442) | (520,694) |
| **b)** | *Social contributions* | (68,269) | (58,083) |
| **c)** | *Employee severance indemnity* | | |
| **d)** | *Other costs* | | |
| **9)** | Depreciation and write-downs | (12,768) | (13,285) |
| **a)** | *Amortization of intangible assets* | (5,922) | (5,922) |
| **b)** | *Depreciation of tangible assets* | (6,846) | (7,363) |
| **c)** | *Other write-downs of assets* | | |
| **d)** | *Write-downs of receivables included in current assets and cash* | | |
| **10)** | Change in stock of raw materials, consumables, spare parts and other goods | (2,883) | 114 |
| **11)** | Accruals for contingencies | | |
| **12)** | Other operating charge | (624) | (159) |
| | **DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)** | **(17,363)** | **81,464** |
| **C)** | **FINANCIAL INCOME AND CHARGES** | **(32,851)** | **(91,066)** |
| **13)** | Other financial income | 633 | 81 |
| **a)** | *- intra group* | | |
| **b)** | *- Other* | 633 | 81 |
| **14)** | Interest and other financial charges | (34,742) | (75,447) |
| **a)** | *- interest from intra group* | | |
| **b)** | *- interest from parent companies* | | |
| **c)** | *- interest from others* | *(34,742)* | *(75,447)* |
| **15)** | Exchange Profit & Losses | 1,258 | (15,700) |
| **D)** | **ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS** | **0** | **0** |
| **16)** | Write-down | | |
| | *of equity investments* | | |
| **E)** | **EXTRAORDINARY INCOME AND EXPENSES** | **0** | **0** |
| **17)** | Income | | |
| **18)** | Charges | | |
| | **RESULT BEFORE TAX** | **(50,214)** | **(9,602)** |
| **19)** | Income tax for the period | 0 | (401) |
| **a)** | *current tax* | | |
| **b)** | *deferred tax liabilities* | | (401) |
| **c)** | *anticipated tax assets* | | |
| | **PROFIT FOR THE YEAR** | **(50,214)** | **(10,003)** |

**For and on behalf of the Board of Directors**
**of CLX Eurpore Media Solution Limited**

Anjan Malik
Director

Baljit Phull
Director

**eClerx Canada Limited**
**Balance Sheet as at 31 March 2019**

| | Notes | As at 31 March 2019 Amount in CAD | As at 31 March 2018 Amount in CAD |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Deferred tax assets (net) | 19 | 9,781 | - |
| | | **9,781** | **-** |
| **Current assets** | | | |
| **Financial assets** | | | |
| Trade receivables | 3 | 159,670 | 16,216 |
| Cash and cash equivalents | 4 | 60,008 | 20,425 |
| Other financial assets | 5 | 6,720 | 14,550 |
| Other current assets | 6 | - | 289 |
| | | **226,398** | **51,480** |
| **Total assets** | | **236,179** | **51,480** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 7 | 50,000 | 50,000 |
| Other equity | 8 | (24,970) | (74,549) |
| **Total equity** | | **25,030** | **(24,549)** |
| **Non - current liabilities** | | | |
| Borrowings | 9 | - | 51,984 |
| | | **-** | **51,984** |
| **Current liabilities** | | | |
| Borrowings | 9 | 152,695 | - |
| Trade payables | 10 | 26,693 | - |
| Other financial liabilities | 11 | 5,469 | 17,931 |
| Other current liabilities | 12 | 5,952 | 252 |
| Employee benefit obligations | 13 | 20,340 | 5,862 |
| | | **211,149** | **24,045** |
| **Total equity and liabilities** | | **236,179** | **51,480** |
| Summary of significant accounting policies | 2 | | |

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

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx Canada Limited**

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx Canada Limited**
**Statement of Profit and Loss for the year ended 31 March 2019**

| | Notes | For the year ended 31 March 2019 Amount in CAD | For the year ended 31 March 2018 Amount in CAD |
|---|---|---|---|
| Revenue from operations | 14 | 408,670 | 52,750 |
| Other income | 15 | 5,172 | - |
| **Total income** | | **413,842** | **52,750** |
| **Expenses** | | | |
| Employee benefits expense | 16 | 292,827 | 53,035 |
| Cost of technical sub-contractors | | 32,641 | 50,956 |
| Finance costs | 17 | 2,946 | 105 |
| Other expense | 18 | 45,630 | 23,087 |
| **Total expenses** | | **374,044** | **127,183** |
| **Profit / (Loss) before tax** | | **39,798** | **(74,433)** |
| **Tax expense** | | | |
| Current tax | | - | - |
| Deferred tax | 19 | (9,781) | - |
| **Income tax expense** | | **(9,781)** | **-** |
| **Profit / (Loss) for the year** | | **49,579** | **(74,433)** |
| Other comprehensive income for the period, net of tax | | - | - |
| **Total comprehensive income for the period, net of tax** | | **49,579** | **(74,433)** |
| **Earnings per equity share (in CAD)** | | | |
| Basic (Face value of CAD 1 each) | 18 | 0.99 | (1.49) |
| Diluted (Face value of CAD 1 each) | 18 | 0.99 | (1.49) |
| Summary of significant accounting policies | 2 | | |

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

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

**For and on behalf of the Board of Directors of eClerx Canada Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx Canada Limited**

**Statement of cash flows for the year ended 31 March 2019**

| | Notes | For the year ended 31 March 2019<br>Amount in CAD | For the year ended 31 March 2018<br>Amount in CAD |
|---|---|---|---|
| **Operating activities** | | | |
| Profit / (Loss) before tax | | 39,798 | (74,433) |
| **Cash used in operating activities** | | **39,798** | **(74,433)** |
| Interest on intercompany loan | 15 | 2,946 | 105 |
| | | **42,744** | **(74,328)** |
| **Working capital changes** | | | |
| (Increase) in trade receivables | | (143,454) | **(16,216)** |
| Increase in employee benefit obligations | | 14,478 | **5,862** |
| (Increase)/decrease in other financial assets and other assets | | 8,119 | **(14,839)** |
| Increase in trade payables, other current and non current liabilities and financial liabilities | | 19,931 | **18,183** |
| **Net cash flows used in operating activities** | | **(58,182)** | **(81,338)** |
| **Financing activities** | | | |
| Loan availed from Holding Company | | 100,711 | 51,984 |
| Interest on inter-company loan | | (2,946) | (105) |
| **Net cash flows generated from financing activities** | | **97,765** | **51,879** |
| **Net (decrease) / increase in cash and cash equivalents** | | **39,583** | **(29,459)** |
| Cash and cash equivalents at the beginning of the period | | 20,425 | 49,884 |
| **Cash and cash equivalents at year end** | | **60,008** | **20,425** |

Summary of significant accounting policies 2

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

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

**For and on behalf of the Board of Directors of eClerx Canada Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**eClerx Canada Limited**
**Statement of changes in equity for the year ended 31 March 2019**

## a. Equity share capital

| | No. of shares | Share Capital |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Equity shares of CAD 1 each issued, subscribed and fully paid | | |
| **As at 31 March 2018** | **50,000** | **50,000** |
| Add: shares alloted during the year | - | - |
| **As at 31 March 2019** | **50,000** | **50,000** |

## b. Other equity

**For the year ended 31 March 2019** Amount in CAD

| Particulars | Retained earnings | Total other equity |
|---|---|---|
| **As at 1 April 2018** | **(74,549)** | **(74,549)** |
| Profit for the year | 49,579 | 49,579 |
| **As at 31 March 2019** | **(24,970)** | **(24,970)** |

**For the year ended 31 March 2018** Amount in CAD

| Particulars | Retained earnings | Total other equity |
|---|---|---|
| **As at 1 April 2017** | (116) | (116) |
| Loss for the year | (74,433) | (74,433) |
| **As at 31 March 2018** | **(74,549)** | **(74,549)** |

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

**For and on behalf of the Board of Directors of eClerx Canada Limited**

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**Anjan Malik**
Director

**Joseph A. Menard**
Director

### 1. Corporate information

eClerx Canada Limited (the "Company") was incorporated on September 23, 2016 in Victoria, British Columbia as a 100% subsidiary of eClerx Investments (UK) Limited, (the "Holding Company")

### 2.A. Significant accounting policies

#### 2.1 Basis of preparation

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

The financial statements have been prepared on historical cost basis. Amounts in the statement of profit and loss for period ended 31 March 2017, being the year of incorporation, are not for 12 months period.

The financial statements are presented in "CAD" and all values are stated Canadian Dollars, except when otherwise indicated.

However, as these financial statements are not statutory financial statements, full compliance with the Companies Act, 2013 (the "Act") is not required and so they do not reflect all disclosure requirements of the Act.

#### 2.2. Summary of significant accounting policies

**a. Foreign currencies**

The Company's financial statements are presented in Canadian Dollars which is also the Company's functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company in its functional currency using spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

**b. Revenue recognition**

**Ind AS 115 Revenue from Contracts with Customers**

**Revenue recognition:**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method. The standard is applied only to contracts that are not completed as at the date of initial application of the standard i.e. April 1, 2018 and the comparative information is not restated in the standalone financial statements. The impact of the adoption of the standard on the standalone financial statements of the Company is insignificant.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Arrangement with customers for services rendered by the Company are either on time and material or on fixed price basis. Revenue from contracts on time-and-material basis is recognised as the related services are performed. Revenue from fixed-price contracts where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and other variable considerations, if any, as specified in the contracts with the customers.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenue net of indirect taxes in its standalone statement of profit and loss.

Revenue in excess of billing is classified as contract asset i.e. unbilled revenue while billing in excess of revenue is classified as contract liability i.e. deferred revenue. Advance billing is shown as contract liabilities under other current financial liabilities. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unbilled Revenues are classified as non-financial asset if the contractual right to consideration is dependent on completion of contractual milestones.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within the contractually agreed period.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the benefit period.

**c. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date in Canada where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

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

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

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

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

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

**d. Provisions and contingencies**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**e. Financial instruments**

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

**Financial assets**

***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

***Subsequent measurement***

For purposes of subsequent measurement financial assets are classified into three categories:
• Financial assets at fair value through OCI
• Financial assets at fair value through profit or loss
• Financial assets at amortised cost

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

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
• Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
• Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

The Company assesses impairment based on expected credit losses ("ECL") model to the following:
• Financial assets measured at amortised cost; and
• Financial assets measured at Fair value through other comprehensive income ("FVTOCI")

Expected credit losses ("ECL") are measured through a loss allowance at an amount equal to:
• the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
• full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or contract revenue receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**

***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or derivatives as appropriate or as derivatives designated as hedging instruments in an effective hedge as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

***Subsequent measurement***

The Company measures all financial liabilities at amortised cost using the Effective Interest Rate ("EIR") method except for financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Financial liabilities held for trading are measured at fair value through profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**f. Retirement and other employee benefits**

**Canada Pension Plan**
Retirement benefit in the form of pension paln is a defined contribution scheme. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Company recognises contribution payable to the pension plan as an expense, when an employee renders the related service. The Company has no further obligations under these plans beyond its monthly contributions.

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

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

**2.B. Significant accounting judgements, estimates and assumptions**
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Estimates and assumptions**
The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company does not have any significant estimates or assumptions.

**Financial assets**

| 3. Trade receivables | As at 31 March 2019<br>Amount in CAD | As at 31 March 2018<br>Amount in CAD |
|---|---|---|
| Trade receivables | 6,870 | 16,216 |
| Receivables from other related parties | 152,800 | - |
| | **159,670** | **16,216** |
| **Outstanding for a period exceeding six months from the date they are due for payment** | | |
| Unsecured, considered good | - | - |
| **Other receivables** | | |
| Unsecured, considered good | 159,670 | 16,216 |
| **Doubtful** | - | 16,216 |
| Less: Provision for doubtful receivables | - | - |
| **Total trade receivables** | **159,670** | **16,216** |

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

| 4. Cash and cash equivalents | As at 31 March 2019<br>Amount in CAD | As at 31 March 2018<br>Amount in CAD |
|---|---|---|
| Balances with banks | | |
| In current accounts | 60,008 | 20,425 |
| | **60,008** | **20,425** |

| 5. Other financial assets | As at 31 March 2019<br>Amount in CAD | As at 31 March 2018<br>Amount in CAD |
|---|---|---|
| Unbilled revenue | 6,720 | 14,550 |
| | **6,720** | **14,550** |

| 6. Other current assets | As at 31 March 2019<br>Amount in CAD | As at 31 March 2018<br>Amount in CAD |
|---|---|---|
| Other tax credits | - | 289 |
| | **-** | **289** |

**Break up of financial assets carried at amortised cost**

| | As at 31 March 2019<br>Amount in CAD | As at 31 March 2018<br>Amount in CAD |
|---|---|---|
| Trade receivables (refer note 3) | 159,670 | 16,216 |
| Cash and cash equivalents (refer note 4) | 60,008 | 20,425 |
| Other financial assets (refer note 5) | 6,720 | 14,550 |
| Other current assets (refer note 6) | - | 289 |
| **Total financial assets carried at amortised cost** | **226,398** | **51,480** |

**7. Share capital**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **Authorized share capital** | | |
| 50,000 equity shares of CAD 1 each | 50,000 | 50,000 |
| **Issued, subscribed and fully paid up** | | |
| 50,000 shares of CAD 1 each | 50,000 | 50,000 |

**Terms / rights attached to equity shares**
The Company has issued Class A voting participating common shares and each holder is entitled to one vote per equity share.
Details of shareholders holding more than 5% shares in the Company

| Name of the shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| eClerx Investments (UK) Limited | 50,000 | 100% | 50,000 | 100% |

**8. Other equity**

**Retained earnings**

| | Amount in CAD |
|---|---|
| **As at 31 March 2017** | (116) |
| Add: Loss during the year | (74,433) |
| **As at 31 March 2018** | **(74,549)** |
| Add: Profit during the year | 49,579 |
| **As at 31 March 2019** | **(24,970)** |

**Other reserves**

| | As at 31 March 2019 Amount in CAD | As at 31 March 2018 Amount in CAD |
|---|---|---|
| Retained earnings | (24,970) | (74,549) |
| | **(24,970)** | **(74,549)** |

| **9. Borrowings** | As at 31 March 2019 Amount in CAD | As at 31 March 2018 Amount in CAD |
|---|---|---|
| **Non-current** | | |
| eClerx Investments (UK) Limited* (unsecured) | - | 51,984 |
| | **-** | **51,984** |
| **Current** | | |
| eClerx Investments (UK) Limited* (unsecured) | 152,695 | - |
| | **152,695** | **-** |
| | **152,695** | **51,984** |

* This refers to working capital loan carrying interest of 2% p.a. with the maturity date of 31 March 2020.

| **10. Trade Payables** | As at 31 March 2019 Amount in CAD | As at 31 March 2018 Amount in CAD |
|---|---|---|
| Trade payables | 45 | - |
| Trade payables to related parties | 26,648 | - |
| | **26,693** | **-** |

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions with related parties, refer note 21.
- For explanations on the Company's credit risk management processes, refer note 23.
- Trade payables are measured at amortised cost.

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **11. Other financial liabilities** | Amount in CAD | Amount in CAD |
| Accrued expenses | 5,469 | 17,931 |
| | **5,469** | **17,931** |
| | | |
| **Break up of financial liabilities at amortised cost** | | |
| Borrowings (refer note 9) | 152,695 | 51,984 |
| Other financial liabilities (refer note 10) | 5,469 | 17,931 |
| | **158,164** | **69,915** |

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **12. Other current liabilities** | Amount in CAD | Amount in CAD |
| Taxes and other liabilities | 5,952 | 252 |
| | **5,952** | **252** |

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| **13. Employee benefit obligations** | Amount in CAD | Amount in CAD |
| **Current** | | |
| Incentive to employees | 20,340 | 5,862 |
| | **20,340** | **5,862** |

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| **14. Revenue from operations** | Amount in CAD | Amount in CAD |
| Sale of services | 408,670 | 52,750 |
| | **408,670** | **52,750** |

The Company derives revenues primarily from Sales & marketing, Consulting and ITeS services.

Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Arrangements with customers for ITeS related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenue from maintenance contracts are recognised on pro-rata basis over the period of the contract.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services(ATS). The Company has applied the principles under IndAS115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized rateably over the period in which the services are rendered.

The Company accounts for volume discounts and pricing incentives to customers as are deduction of revenue based on the ratable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount there of cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Unbilled revenues included in other financial assets represent revenue in excess of billings as at the balance sheet date.

Advance billing included in other financial liabilities represents billing in excess of revenue recognised.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues for the year ended March 31, 2019 and March 31, 2018 are as follows: **Amount in CAD**

| **Particulars** | **Year ended 31 March** | |
|---|---|---|
| | **2019** | **2018** |
| Revenue from Sales & marketing, Consulting and ITeS services | 408,670 | 52,750 |
| Revenue from software development, licensing of software products & related services | - | - |
| **Total revenue from operations** | **408,670** | **52,750** |

**Disaggregate revenue information**

The table below presents disaggregated revenues from contracts with customers by geography and contract-type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended March 31, 2019 **Amount in CAD**

| **Particulars** | **Total** |
|---|---|
| **Revenues by Geography** | |
| Canada | 44,370 |
| Asia Pacific | 364,300 |
| **Total** | **408,670** |
| | |
| **Revenues by contract type** | |
| Fixed Price | |
| Time & Materials | 408,670 |
| **Total** | **408,670** |

**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

**Amount in CAD**

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| Revenue as per contracted price | 408,670 | 52,750 |
| **Adjustments:** | | |
| Discount | - | - |
| **Revenue from contract with customers** | **408,670** | **52,750** |

**Trade Receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time.

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.
During the year ended March 31, 2019 , the company recognized revenue of Nil arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , Nil of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

**Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is Nil. Out of this, the Company expects to recognize revenue of around Nil within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended March 31, 2019 and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of CAD 6,720 as at March 31, 2019 has been considered as a Non financial asset.

| 15. Other Income | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Gain on foreign exchange fluctuation (net) | 5,172 | - |
| | **5,172** | **-** |

| 16. Employee benefit expense | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Salaries, wages and bonus | 282,971 | 50,866 |
| Contribution to provident fund | 9,856 | 2,169 |
| | **292,827** | **53,035** |

| 17. Finance costs | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Interest on intercompany loan | 2,946 | 105 |
| | **2,946** | **105** |

| 18. Other expense | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Legal and professional fees | 20,129 | 16,235 |
| Foreign exchange loss (net) | - | 1,879 |
| Travelling expense | 21,875 | 3,880 |
| Bank charges | 1,849 | 883 |
| Communication expense | 1,601 | 210 |
| Office expenses | 115 | - |
| Rates and taxes | 31 | - |
| Business promotion | 30 | - |
| | **45,630** | **23,087** |

### 19. Income taxes

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

**Statement of profit and loss:**
**Profit or loss section**

| | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| **Current Income tax:** | | |
| Deferred tax | (9,781) | - |
| **Income tax expense reported in the statement of profit or loss** | **(9,781)** | **-** |

**Deferred tax:**
**Deferred tax relates to the following:**

| | Balance Sheet | | Profit & Loss | |
|---|---|---|---|---|
| | As at 31 March 2019 | As at 31 March 2018 | As at 31 March 2019 | As at 31 March 2018 |
| | Amount in CAD | Amount in CAD | Amount in CAD | Amount in CAD |
| Expenses available for offsetting against future taxable income | 9,781 | - | (9,781) | - |
| **Deferred tax expense/(income)** | | | **(9,781)** | **-** |
| **Net deferred tax assets/(liabilities)** | **9,781** | **-** | | |

Reflected in the balance sheet as follows:

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Deferred tax assets | 9,781 | - |
| **Deferred tax assets/(liabilities), net** | **9,781** | **-** |

**Reconciliation of deferred tax assets / (liabilities) (net):**

| | As at 31 March 2018 | As at 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Opening balance | - | - |
| Tax income/(expense) during the period recognised in profit or loss | (9,781) | - |
| **Closing balance** | **(9,781)** | **-** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**20. Earnings per share ("EPS")**

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

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| | Amount in CAD | Amount in CAD |
| Profit attributable to equity holders | 49,579 | (74,433) |
| Weighted average number of equity shares for - | | |
| Basic EPS | 50,000 | 50,000 |
| Diluted EPS | 50,000 | 50,000 |
| **Profit per equity share (in CAD)** | | |
| Basic | 0.99 | (1.49) |
| Diluted | 0.99 | (1.49) |

**21. Related party transactions**

**A. Related Parties and Key Management Personnel**

**Name of related party and related party relationship**

**Related party under Ind AS 24 – Related Party Disclosures and as per Companies Act, 2013**

**(A) Where control exists:**

1. eClerx Services Limited (Ultimate Holding Company)
2. eClerx Investments (UK) Limited (Holding Company)
3. eClerx LLC (Fellow Subsidiary)

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

| Name | Nature of Transaction | Transactions during the year | | Outstanding Balance as at | |
|---|---|---|---|---|---|
| | | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| | | Amount in CAD | Amount in CAD | Amount in CAD | Amount in CAD |
| eClerx Services Limited | Income from operations | 364,300 | - | 152,800 Receivable | - |
| eClerx Investments UK Limited | Loan availed from Holding Company | 100,711 | 51,984 | 152,695 Payable | 51,984 Payable |
| | Interest expense | 2,946 | 105 | | |
| eClerx LLC | Expenses incurred by felllow subsidiary on behalf of Company | 28,532 | - | 26,648 Payable | - |
| | Expenses incurred by Company on behalf of fellow subsidiary | 2,260 | - | | |

**22. Segment information**

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

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

| | For the year ended | |
|---|---|---|
| | 31 March 2019 | 31 March 2018 |
| | Amount in CAD | Amount in CAD |
| **Revenue from customers** | | |
| Canada | 44,370 | 52,750 |
| Asia Pacific | 364,300 | - |
| **Total Revenue** | **408,670** | **52,750** |

The Company has one customer with revenue greater than 10% of the total Company's revenue totalling to CAD 364,300 for the year ended 31 March 2019 and one customer with revenue greater than 10% of the total Company's revenue totalling to CAD 52,750 for the year ended 31 March 2018.

### 23. Financial risk management objectives and policies

The Company's principal financial liabilities comprises trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance to the Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises of currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits.

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

**Trade receivables**
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and followed up.
Trade receivables are evaluated by the Company based on specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.There is no impairment of receivables in any of the years.

**Financial instruments and cash deposits**
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

**Liquidity risk**
Liquidity risk refers to the risk that the Company cannot meet its financial obligations.The objective of liquidity risk management is to maintian sufficient liquidity and ensure that funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Amount in CAD

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **As at 31 March 2019** | | | | | |
| Other financial liabilities | - | 5,469 | - | - | 5,469 |
| Trade and other payables | - | 26,693 | - | - | 26,693 |
| | **-** | **32,162** | **-** | **-** | **32,162** |

Amount in CAD

| | On demand | Less than 3 months | 3 to 12 months | > 1 years | Total |
|---|---|---|---|---|---|
| **As at 31 March 2018** | | | | | |
| Other financial liabilities | - | 17,931 | - | - | 17,931 |
| Trade and other payables | - | - | - | - | - |
| | **-** | **17,931** | **-** | **-** | **17,931** |

**Excessive risk concentration**
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio.

### 24. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

### 25. Standards issued but not yet effective

**Ind AS 116 : Leases**

On March 30, 2019, Ministry of Corporate Affairs has noted Ind AS 116, Leases. Ind AS 116 will replace the exisiting leases Standard, Ind AS 17, Leases, and related interpretations. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date of adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accouunting Estimates and Errors

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application either by;

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as;

1) Its carrying amount as if the Standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

2) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

**Ind AS 12 : Income Taxes**
Appendix C, Uncertainity over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainity over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainity over income tax treatments under Ind AS 12. According to the Appendix, Companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Company of tax treatments, that the Companies have used or plan to use in their income tax filiing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax laws), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition- i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the Standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application, i.e., April 1, 2019 without adjusting comparatives.
The effect on adoption of Ind AS 12 Appendix C would be insignificant.

**Amendment to Ind AS 12** - Income Taxes; On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS-12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clairifies that and entity shal recognise the income tax consequences of dividends in profit and loss, othe comprehensive income or equity according to where the entitiy originally recognised both past transactions or events.
Effective date for application of this amenment is annual period beiginning on or after April1 , 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, ' Employee Benefits', in connection with accounting for plan amendments,
The amendments require an entity;

1) to use updated assumptions to determine current service cost and net interest cost for the remainder of the period after a plan amendment, curtailment or settlement; and

2) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if the surplus was not previously recognised because of the impact of asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

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

**per Amit Majmudar**
Partner
Membership Number: 36656
Place: Mumbai
Date: 23 May 2019

**For and on behalf of the Board of Directors of eClerx Canada Limited**

**Anjan Malik**
Director

**Joseph A. Menard**
Director

**ECLERX EMPLOYEE WELFARE TRUST**
**BALANCE SHEET AS AT MARCH 31, 2019**

| | Notes | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|
| | | | **(Amount in INR)** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 1 | 1,000 | 1,000 |
| Other equity | 2 | (105,660,479) | (33,806,695) |
| **Total Equity** | | **(105,659,479)** | **(33,805,695)** |
| **Non-current liabilities:** | | | |
| **Financial liabilities** | | | |
| Borrowings | 3 | 1,292,297,184 | 679,463,756 |
| | | **1,292,297,184** | **679,463,756** |
| **Current liabilities:** | | | |
| **Financial liabilities** | | | |
| Trade payables | 4 | 4,204,819 | 39,748,074 |
| Current tax liabilities (net) | | - | - |
| | | **4,204,819** | **39,748,074** |
| **Total** | | **1,190,842,524** | **685,406,135** |
| **Assets** | | | |
| **Current Assets:** | | | |
| **Financial assets** | | | |
| Investments | 5 | 1,185,362,204 | 631,186,631 |
| Cash and Bank Balances | 6 | 5,480,320 | 54,219,504 |
| | | **1,190,842,524** | **685,406,135** |
| **Total** | | **1,190,842,524** | **685,406,135** |
| | | - | - |

Summary of significant Accounting Policies and Notes to Accounts
The accompanying notes are an integral part of the financial statements

**For and on behalf of eClerx Employee Welfare Trust**

Trustees

**ECLERX EMPLOYEE WELFARE TRUST**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

| | | (Amount in INR) | |
|---|---|---|---|
| | **Notes** | **Year ended March 31, 2019** | **Year ended March 31, 2018** |
| **INCOME** | | | |
| Other Income | 7 | 1,475,733 | 884,357 |
| | | **1,475,733** | **884,357** |
| **EXPENDITURE** | | | |
| Other expenses | 8 | 3,514,596 | 1,875,711 |
| Finance Costs | 9 | 69,814,921 | 27,663,068 |
| **Profit before Taxes** | | **(71,853,785)** | **(28,654,422)** |
| Provision for Taxation | | | |
| Current Income tax | | | |
| | | - | - |
| **Profit after tax** | | **(71,853,785)** | **(28,654,422)** |

The Schedules Referred to above form an integral part of the financial statements

**For and on behalf of eClerx Employee Welfare Trust**

Trustees

**ECLERX EMPLOYEE WELFARE TRUST**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

| | | (Amount in INR) |
|---|---|---|
| | **As at March 31, 2019** | **As at March 31, 2018** |
| **1 CAPITAL** | | |
| Corpus | 1,000 | 1,000 |
| | **1,000** | **1,000** |
| **2 RESERVES AND SURPUS** | | |
| Balance brought forward from previous year | (33,806,695) | (5,152,273) |
| Profit and Loss Account | (71,853,785) | (28,654,422) |
| | **(105,660,479)** | **(33,806,695)** |
| **3 BORROWINGS** | | |
| Loan from eClerx Services Limited | 1,200,000,000 | 650,000,000 |
| Interest accrued on Loan from eClerx Services Limited | 92,297,184 | 29,463,756 |
| | **1,292,297,184** | **679,463,756** |
| **4 TRADE PAYABLES** | | |
| Management Fees Payable | 1,052,689 | 708,434 |
| Broker Payable | - | 38,192,076 |
| TDS Payable | 3,107,130 | 847,564 |
| Audit Fee Payable | 45,000 | |
| | **4,204,819** | **39,748,074** |
| **5 INVESTMENTS** | | |
| **Equity Shares** | | |
| eClerx Services Limited | 1,130,117,672 | 631,186,631 |
| ( FY 18 - 19 Trust owns 920,860 equity shares; FY 17 - 18 Trust owns 487,660 equity shares) | | |
| **Mutual Funds** | | |
| Birla Sun Life Cash Plus – Direct - Daily Dividend Reinvestment Option | 55,244,533 | - |
| | **1,185,362,204** | **631,186,631** |
| **6 CASH AND BANK BALANCES** | | |
| Balance with scheduled banks | | |
| - in Current accounts | | |
| ' 000004121277 | - | 1,000 |
| ' 000004121264 | 5,480,320 | 54,218,504 |
| | **5,480,320** | **54,219,504** |

**ECLERX EMPLOYEE WELFARE TRUST**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019**

| | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---|---|
| | | (Amount in INR) |
| **7 OTHER INCOME** | | |
| Dividend on mutual fund | 790,673 | 759,185 |
| Dividend on equity | 685,060 | 125,172 |
| | **1,475,733** | **884,357** |
| **8 GENERAL AND ADMINISTRATIVE EXPENSES** | | |
| Trust management fees | 3,463,334 | 1,857,788 |
| Rates and taxes (Interest on late filling of TDS) | 1,262 | 17,923 |
| Auditors remuneration (Fee @ 50,000 per annum) | 50,000 | - |
| | **3,514,596** | **1,875,711** |
| **9 FINANCE COSTS** | | |
| Interest on Loan | 69,814,921 | 27,663,068 |
| | **69,814,921** | **27,663,068** |