

		As at 31 March 2020 Amount in USD	As at 31 March 2019 Amount in USD
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	3	1,209,259	1,376,040
Capital work in progress	3	70,827	-
Right of use assets	25	2,371,776	-
Intangible assets	4	975,471	1,004,720
Financial assets			
Other financial assets	7	33,490	33,490
Deferred tax assets (net)	17	162,148	86,357
		4,822,971	2,500,607
Current assets			
Financial assets			
Trade receivables	5	14,166,465	9,894,272
Cash and cash equivalents	6.a.	3,065,157	3,277,954
Other bank balances	6.b.	200,362	200,279
Other financial assets	7	1,600,289	1,432,688
Other current assets	8	184,313	165,421
		19,216,586	14,970,614
Total assets		24,039,557	17,471,221
Equity and liabilities			
Equity			
Equity share capital	9	100	100
Contribution from Holding Company	10	1,530,265	1,719,453
Other equity	11	14,785,667	11,790,913
Total equity		16,316,032	13,510,466
Non-current liabilities			
Other non-current liabilities	13	-	181,160
Employee Benefit Obligations	12	255,123	188,885
Financial liabilities			
Lease liabilities	25	1,955,751	-
		2,210,874	370,045
Current liabilities			
Financial liabilities			
Trade payables	14		
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises		110,484	167,306
Lease liabilities	25	677,240	-
Other financial liabilities	15	1,566,871	1,356,840
Other current liabilities	16	48,691	524,747
Employee benefit obligations	12	1,632,633	1,119,104
Current tax liabilities		1,476,732	422,713
		5,512,651	3,590,710
Total equity and liabilities		24,039,557	17,471,221

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 LLC****per Amit Majmudar**

Partner

Membership Number: 36656

Place: Mumbai

Date: 09 June 2020

Anjan Malik

Director

eClerx LLC
Statement of Profit and Loss for the year ended 31 March 2020

		For the year ended 31 March 2020	For the year ended 31 March 2019
	Notes	Amount in USD	Amount in USD
Revenue from operations	18	45,882,238	41,099,935
Government grant		-	1,920
Other income	19	57,035	4,231
Total income		45,939,273	41,106,086
Expenses			
Employee benefits expense	20	31,136,689	25,867,882
Cost of technical sub-contractors		3,486,002	4,782,169
Depreciation and amortisation expense	21	1,464,999	931,533
Finance cost	22	101,076	-
Other expenses	23	6,245,095	7,263,811
Total expense		42,433,861	38,845,395
Profit before tax		3,505,412	2,260,691
Tax expense			
Current tax	17		
Pertaining to current year		970,892	697,882
Adjustments in respect of current income tax of previous years		(73,294)	(135,685)
Deferred tax	17	(59,991)	(28,656)
Income tax expense		837,607	533,541
Profit for the year		2,667,805	1,727,150
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		2,667,805	1,727,150
Earnings per equity share (in USD)			
Basic (Face value of USD 1 each)	24	26,678.05	17,271.50
Diluted (Face value of USD 1 each)	24	26,678.05	17,271.50
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 LLC**

per Amit Majmudar
Partner
Membership Number: 36656
Place: Mumbai
Date: 09 June 2020

Anjan Malik
Director

eClerx LLC

Statement of cash flows for the year ended 31 March 2020

		31 March 2020	31 March 2019
	Notes	Amount in USD	Amount in USD
Operating activities			
Profit before tax		3,505,412	2,260,691
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	21	1,401,699	683,192
Amortisation of intangible assets	21	63,300	248,341
Share-based payment expense	20	(31,626)	165,222
Interest income	19	(83)	(83)
Finance cost	22	101,076	-
		5,039,778	3,357,363
Working capital adjustments:			
Increase / (Decrease) in employee benefit obligations		579,767	(928,358)
(Increase) in trade receivables		(4,272,193)	(678,221)
(Increase) / Decrease in other financial assets and other assets		(186,493)	771,772
(Decrease) / Increase in trade payables, other current and non current liabilities and financial liabilities		(300,243)	25,512
Cash generated by operating activities		860,616	2,548,068
Income tax paid / received (net of refunds)		350,376	(30,076)
Net cash flows from operating activities		1,210,992	2,517,992
Investing activities			
Purchase of property, plant and equipment and intangibles (including capital work in progress)		(574,456)	(1,039,283)
Sale of property, plant and equipment		211	-
Increase in deposits with the bank		(83)	(28)
Interest received (finance income)		83	83
Net cash flows used in investing activities		(574,245)	(1,039,228)
Financing activities			
Finance cost		(101,076)	-
Payment of principal portion of lease liabilities		(748,468)	-
Net cash flows used in investing activities		(849,544)	-
Net (decrease) / increase in cash and cash equivalents		(212,797)	1,478,764
Cash and cash equivalents at the beginning of the year	6.a.	3,277,954	1,799,190
Cash and cash equivalents at the year end	6.a.	3,065,157	3,277,954
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 LLC**

per Amit Majmudar

Partner

Membership Number: 36656

Place: Mumbai

Date: 09 June 2020

Anjan Malik

Director

eClerx LLC

Statement of changes in equity for the year ended 31 March 2020

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 2018	100	100
As at 31 March 2019	100	100
As at 31 March 2020	100	100

b. Other equity

For the year ended 31 March 2020

Particulars	Contribution from Holding Company	Reserves and Surplus			Amount in USD
		Securities premium account	Capital reserve	Retained earnings	Total equity attributable to equity share holders of the Company
As at 1 April 2019	1,719,453	29,190	100	11,761,623	13,510,366
Stock compensation charge	(31,626)	-	-	-	(31,626)
Tax credit on exercise of options	-	-	-	193,953	193,953
Profit for the year	-	-	-	2,667,805	2,667,805
Adjustment on adoption of Ind AS 116	-	-	-	(24,566)	(24,566)
Adjustment of reversal of ESOP cost on lapse of 2014 grant	(157,562)	-	-	157,562	-
As at 31 March 2020	1,530,265	29,190	100	14,756,377	16,315,932

For the year ended 31 March 2019

Particulars	Contribution from Holding Company	Reserves and Surplus			Amount in USD
		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	165,222	-	-	-	165,222
Tax credit on exercise of options	-	-	-	14,871	14,871
Profit 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

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: 09 June 2020

Anjan Malik

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") specified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These financial statements have been prepared on the request of eClerx Services Limited, the Holding Company to comply with the financial reporting requirements in India.

As the Company is not domiciled in India and hence not registered under the Act, these financial statements have not been prepared to fully comply with the Act, and so they do not reflect all disclosure requirements of the Act.

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

New and amended standards

Accounting policies have been consistently applied except where a newly - issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company applied Ind AS 116 - Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

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:

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 from sale of service to the Holding Company is recognised as cost plus mark-up on the basis of agreement between the Holding Company and Company.

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 statement of profit and loss.

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

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

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

Interest Income

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

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.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from 1 April 2019. The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that there is no impact on retained earnings.

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 Company as lessee

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

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of lowvalue assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Transition

The Company has adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. The Company has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of initial application.

The Company has selected practical expedient for the following:

- a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense over the lease term.
- b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.
- c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

On transition to Ind AS 116, the Company has recognized right-of-use asset of USD 3,137,327 and a lease liability of USD 3,381,459 in the financial statements as on the date of initial application. The cumulative effect of applying the standard resulted in USD 24,566 being debited to the opening retained earnings, net of taxes. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended 31 March 2020, the Company has recognized depreciation on right-of-use asset USD 765,551 along with interest on lease liability of USD 101,076 respectively. The effect of this standard is not significant on the profit for the year of the Company. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities in previous periods.

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.

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.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a 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. Revenue recognition

The Company used the percentage-of-completion method in accordance for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. 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.

c. 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. These estimates are most relevant to goodwill recognised by the Company. The key assumptions used to determine the recoverable amount for the CGU are disclosed and further explained in note 26.

d. Leases

The Company has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination option and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

2. D. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables, unbilled revenue, goodwill and intangible assets. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to monitor any material impact due to changes in future economic conditions.

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 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
Additions	325,305	-	98,815	45,458	469,578
Disposals	1,715	-	-	-	1,715
As at 31 March 2020	2,359,204	183,393	326,395	839,735	3,708,727
Depreciation and impairment					
As at 1 April 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
Depreciation charge for the year	417,507	17,657	44,881	156,103	636,148
Disposals	1,504	-	-	-	1,504
As at 31 March 2020	1,621,651	134,323	127,850	615,644	2,499,468
Net Book Value					
As at 31 March 2020	737,553	49,070	198,545	224,091	1,209,259
As at 31 March 2019	829,966	66,727	144,611	334,736	1,376,040
Capital work in progress					
	As at 31 March 2020	As at 31 March 2019			
	Amount in USD	Amount in USD			
Computer hardware	7,161	-			
Office equipments	63,666	-			
Total	70,827	-			

4. Intangible assets

	Computer software	Customer relationships	Goodwill	Total
	<u>Amount in USD</u>	<u>Amount in USD</u>	<u>Amount in USD</u>	<u>Amount in USD</u>
Cost				
As at 1 April 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
Additions	34,051	-	-	34,051
Disposals	-	-	-	-
As at 31 March 2020	634,500	372,370	683,203	1,690,073
Amortization and impairment				
At 1 April 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
Amortisation charge for the year	21,926	41,374	-	63,300
Disposals	-	-	-	-
At 31 March 2020	611,110	103,492	-	714,602
Net Book Value				
At 31 March 2020	23,390	268,878	683,203	975,471
At 31 March 2019	11,265	310,252	683,203	1,004,720

Financial assets

5. Trade receivables

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Trade receivables	2,390,856	2,293,928
Receivables from other related parties	11,775,609	7,600,344
Total trade receivables	14,166,465	9,894,272
	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Considered good - Secured	-	-
Considered good - Unsecured	14,166,465	9,894,272
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	14,166,465	9,894,272
Less: Loss allowance	-	-
Total trade receivables	14,166,465	9,894,272

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 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Balances with banks:		
In current accounts	3,065,157	3,277,954
	3,065,157	3,277,954

6.b. Other bank balances

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Interest receivable	46	50
Earmarked bank balances with bank	200,316	200,229
	200,362	200,279
	3,265,519	3,478,233

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.

eClerx LLC**Notes to the financial statements for the year ended 31 March 2020****7. Other financial assets**

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Non-current		
Corporate premises rent deposits	33,490	33,490
	33,490	33,490
Current		
Unbilled receivables	1,466,610	668,195
Staff accomodation rent deposits	2,650	8,659
Other advances	131,029	755,834
	1,600,289	1,432,688
	1,633,779	1,466,178

Break up of financial assets carried at amortised cost

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Trade receivables (refer note 5)	14,166,465	9,894,272
Cash and cash equivalents and other bank balances (refer note 6.a. and 6.b.)	3,265,519	3,478,233
Other financial assets (refer note 7)	1,633,779	1,466,178
Total financial assets carried at amortised cost	19,065,763	14,838,683

8. Other current assets

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Prepaid expenses	184,313	165,421
	184,313	165,421

9. Share capital**Authorised share capital****Authorized share capital**

100 (31 March 2019: 100) shares of USD 1 each

Issued, subscribed and fully paid up

100 (31 March 2019: 100) shares of USD 1 each

Equity shares	
As at	As at
31 March 2020	31 March 2019
100	100
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 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
eClerx Services Limited	100	100%	100	100%

10. Contribution from Holding Company**ESOP charge from Holding Company**

Balance, beginning of the year

Charge for the year (refer note 20)

Adjustment of reversal of ESOP cost on lapse of 2014 grant

Balance, end of the year

As at	As at
31 March 2020	31 March 2019
1,719,453	1,554,231
(31,626)	165,222
(157,562)	-
1,530,265	1,719,453

11. Other equity**Securities premium**

	Amount in USD
As at 1 April 2018	29,190
As at 31 March 2019	29,190
As at 31 March 2020	29,190

Capital reserve

	Amount in USD
As at 1 April 2018	100
As at 31 March 2019	100
As at 31 March 2020	100

Retained earnings

	Amount in USD
As at 1 April 2018	10,019,602
Add: Profit during the year	1,727,150
Add: Tax credit on exercise of options	14,871
As at 31 March 2019	11,761,623
Add: Tax credit on exercise of options	193,953
Add: Adjustment on adoption of Ind AS 116	(24,566)
Add: Adjustment of reversal of ESOP cost on lapse of 2014 grant	157,562
Add: Profit during the year	2,667,805
As at 31 March 2020	14,756,377

Other reserves

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Securities premium account	29,190	29,190
Capital reserve	100	100
Retained earnings	14,756,377	11,761,623
	14,785,667	11,790,913

12. Employee benefit obligations

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Non-current		
Incentive to employees	255,123	188,885
	255,123	188,885
Current		
Incentive to employees	1,632,633	1,119,104
	1,632,633	1,119,104

13. Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Lease equalisation reserve	-	181,160
	-	181,160

14. Trade payables

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
14.a. Dues of Micro enterprises and small enterprises		
Amount due to vendor	-	-
Principal amount paid (includes unpaid) beyond appointed date	-	-
Interest due and payable for the year	-	-
Interest accrued and remaining unpaid	-	-
14.b. Dues to creditors other than Micro enterprises and small enterprises		
Trade payables	110,484	8,138
Trade payables to related parties	-	159,168
	110,484	167,306

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- For terms and conditions with related parties, refer note 27.
- For explanations on the Company's credit risk management processes, refer note 29.
- Trade payables are measured at amortised cost.

15. Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Accrued expenses	1,196,409	1,147,122
Payables for capital expenditure	100,770	49,990
Contract liabilities	269,692	159,728
	1,566,871	1,356,840

Break up of financial liabilities at amortised cost

Other financial liabilities (refer note 15)	1,566,871	1,356,840
Trade payables (refer note 14.a and 14.b)	110,484	167,306
	1,677,355	1,524,146

16. Other current liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Taxes and other liabilities	48,691	502,143
Lease equalisation reserve	-	22,604
	48,691	524,747

17. Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Current Income tax:		
Current income tax charged	970,892	697,882
Adjustment in respect of current income tax of previous years	(73,294)	(135,685)
Deferred tax:	(59,991)	(28,656)
Income tax expense reported in the statement of profit and loss	837,607	533,541

Reconciliation of tax expense and the accounting profit multiplied by tax rate for 31 March 2020 and 31 March 2019:

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Accounting profit before income tax	3,505,412	2,260,691
At tax rate of 25.99% (31 March 2019: 29.60%)	910,901	669,226
Adjustments in respect of current income tax of previous years	(73,294)	(135,685)
Income tax expense reported in the statement of profit and loss at the effective income tax rate of 23.89% (31 March 2019: 23.60%)	837,607	533,541

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

	Balance Sheet		Profit & Loss	
	As at 31 March 2020	As at 31 March 2019	31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD	Amount in USD	Amount in USD
Accelerated depreciation for tax purposes	(247,785)	(265,348)	(17,563)	72,402
Prepaid expenses	(32,275)	(34,738)	(2,463)	10,349
Expenses available for offsetting against future taxable income	387,353	386,443	(910)	(111,407)
Lease as per IND AS 116	54,855	-	(54,855)	
Opening lease as per IND AS 116	-	-	15,800	
Deferred tax income			(59,991)	(28,656)
Net deferred tax assets	162,148	86,357		

Reflected in the balance sheet as follows:

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Deferred tax assets	442,208	386,443
Deferred tax liabilities	(280,060)	(300,086)
Deferred tax assets, net	162,148	86,357

Reconciliation of deferred tax assets (net):

	As at 31 March 2020	As at 31 March 2019
	Amount in USD	Amount in USD
Opening balance	86,357	57,701
Tax income/(expense) during the period recognised in profit and loss	59,991	28,656
Deferred tax created on lease as per IND AS 116	15,800	-
Closing balance	162,148	86,357

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 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Sale of services	45,882,238	41,099,935
Total	45,882,238	41,099,935

Revenue consists of the following:

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Revenue from Sales & marketing, Consulting and ITeS services	45,844,358	41,099,935
Revenue from software development, licensing of software products & related services	37,880	-
Total revenue from operations	45,882,238	41,099,935

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.

Revenues by Geography	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Asia Pacific	27,137,974	27,083,371
United States of America	18,744,264	14,015,897
Europe	-	667
Total	45,882,238	41,099,935

Revenues by contract type	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Fixed Price	30,045	121,920
Time & Materials	45,852,193	40,978,015
Total	45,882,238	41,099,935

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Revenue as per contracted price	45,903,204	41,123,219
Reductions towards variable consideration components*	20,966	23,284
Revenue from contract with customers	45,882,238	41,099,935

* The reduction towards variable component comprises of volume discounts.

During the year ended 31 March 2020, the Company recognised revenue of USD 159,728 arising from opening unearned revenue as on 1 April 2019. During the year ended 31 March 2019, the Company recognised revenue of USD 23,698 arising from opening unearned revenue as on 1 April 2018.

eClerx LLC**Notes to the financial statements for the year ended 31 March 2020**

During the year ended 31 March 2020 and 31 March 2019, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at 31 March 2020 and 31 March 2019, the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be 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 2020, other than those meeting the exclusion criteria mentioned above, is Nil (31 March 2019: Nil). Out of this, the Company expects to recognize revenue of 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.

19. Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Interest income on fixed deposits	83	83
Gain on foreign exchange fluctuation (net)	64	-
Miscellaneous income	56,888	4,148
	57,035	4,231

20. Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Salaries, wages and bonus	29,686,040	24,688,402
Contribution to 401(k) fund	1,463,018	1,001,250
Employee stock compensation charge	(31,626)	165,222
Staff Welfare	19,257	13,008
	31,136,689	25,867,882

21. Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Depreciation of tangible assets (refer note 3)	636,148	683,192
Amortization of intangible assets (refer note 4)	63,300	248,341
Depreciation on Right of use on lease assets (refer note 25)	765,551	-
	1,464,999	931,533

22. Finance Cost

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Interest Expenses (Ind AS 116)	101,076	-
	101,076	-

23. Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in USD	Amount in USD
Travelling expenses	1,772,851	2,172,385
Office base rentals	510,243	1,236,756
Legal and professional charges	808,664	1,198,382
Communication expenses	788,659	576,679
Business promotion	548,253	505,213
Computer and electrical consumables	330,117	451,853
Subscription & membership fees	644,673	448,990
Office expenses	239,717	245,997
Rates and taxes	14,043	1,017
Electricity	36,479	43,930
Repairs and maintenance		
Building	1,107	2,068
Others	198,957	95,469
Other insurance	22,640	12,796
Printing and stationery	32,484	34,608
Security charges	90,138	55,712
Donation	9,067	5,196
Bank charges	5,484	6,352
Accounts receivable processing charges	12,422	20,425
Loss on foreign exchange fluctuation (net)	-	115,842
House keeping services	63,199	33,080
Miscellaneous expenses	115,898	1,061
	6,245,095	7,263,811

24. 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 2020	31 March 2019
	<u>Amount in USD</u>	<u>Amount in USD</u>
Profit attributable to equity holders	2,667,805	1,727,150
Weighted average number of equity shares for -		
Basic EPS	100	100
Diluted EPS	100	100
Earnings per equity share (in USD)		
Basic	26,678.05	17,271.50
Diluted	26,678.05	17,271.50

25. Leases**Operating lease — Company as lessee**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period :

	31 March 2020
	<u>Amount in USD</u>
As at 31 March 2019 (restated)	3,137,327
Depreciation expense (refer note 21)	(765,551)
As at 31 March 2020	2,371,776

eClerx LLC**Notes to the financial statements for the year ended 31 March 2020**

Set out below are the carrying amounts of lease liabilities and movements during the period :

	31 March 2020
	Amount in USD
As at 1 April 2019	3,381,459
Accretion of Interest	101,076
Payments	(849,544)
As at 31 March 2020	2,632,991
Current	677,240
Non - current	1,955,751

The maturity analysis of undiscounted lease liabilities as at March 31, 2020 are as follows:

	31 March 2020
	Amount in USD
Within one year	756,859
After one year but not more than five years	2,038,580
Total	2,795,439

The effective interest rate for lease liabilities is 3.00%, with maturity between 30 April 2020 to 31 May 2025.

The following are the amounts recognized in profit and loss :

	31 March 2020
	Amount in USD
Depreciation expense of right-of-use assets	765,551
Interest expense on lease liabilities	101,076
Total amount recognized in profit or loss	866,627

The Company had cash outflows of for leases of USD 849,544 for the year ended 31 March 2020.

The Company does not have non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2020. There are no future cash outflows relating to leases that have not yet commenced.

The difference between the future minimum lease commitments under Ind AS 17 – Leases reported as of 31 March 2019 and the value of lease liability recorded as on 1 April 2019 on adoption of Ind AS 116 – Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS 116.

26. Impairment testing of goodwill

Goodwill acquired through business combinations pertain to TwoFour Consulting cash generating unit ("CGU"). The Company evaluates goodwill for impairment annually. The Company performs its annual impairment test for year ended 31 March 2020 and on each balance sheet date. The recoverable amount of the above CGU exceeded their carrying amounts. Following is the break-up of carrying amount of goodwill:

	31 March 2020	31 March 2019
	Amount in USD	Amount in USD
Two Four Consulting CGU	683,203	683,203
	683,203	683,203

TwoFour Consulting Goodwill

The recoverable amount of TwoFour Consulting as on 31 March 2020 has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the management covering a five year period. The projected cash flows have been updated to reflect the expected demand for these services. The average growth rate used to extrapolate the cash flows of the CGU for the five year period is 1.35% (31 March 2019 : 3%). The growth rate used to extrapolate the cash flows of the unit beyond the five year period is 2% (31 March 2019 : 2%) . This growth rate is in line with the industry average growth rate. The discount rate applied to cash flow projections for impairment testing during the current year is in the range of 15.10% (31 March 2019 : 16.54%) for its units in different countries. As a result of the analysis, the management did not identify any impairment for the Company.

Key assumptions used for value in use calculations

The calculation of value in use for CGU is most sensitive to following assumptions:

Growth rate estimates: These are based on growth budgeted as per business plan. The management factors industry and segment growth rate including global business and economic uncertainties.

Margins & Costs: These are based on average margins achieved historically and adjusted for anticipated efficiencies and planned expansions.

Discount Rates: They represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account equity and debt where the CGU has a borrowing. The cost of equity is derived from the expected return on investment by the Company. The cost of debt is based on the interest borrowings the Company is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect the pre-tax discount rate.

27. 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)
3. Deepa Kapoor (Director) (joined from 13 September 2019)

(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 Canada Limited
2. eClerx Private Limited

Holding Company:

1. eClerx Services 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 2020	31 March 2019	31 March 2020	31 March 2019
		Amount in USD	Amount in USD	Amount in USD	Amount in USD
eClerx Services Limited	Income from operations	27,137,974	27,083,371	11,771,391	7,580,435
	Expenses incurred on behalf of Holding Company	242,417	31,538	Receivable	Receivable
	Amount received by Holding Company on behalf of the Company	173,216	1,670,319		
	Subcontract charges	49,912	502,303	-	159,168
	Expenses incurred on behalf of the Company	21,200	32,979		Payable
	Equity contribution for stock options (refer note 20)	(31,626)	165,222		
	Amount received on behalf of Holding Company	56,994	205,885		
eClerx Canada Limited	Expenses incurred by Company on behalf of fellow subsidiary	37,273	21,385	4,218	19,909
	Expenses incurred by fellow subsidiary on behalf of Company	-	1,700	Receivable	Receivable
eClerx Private Limited	Expenses incurred by Company on behalf of fellow subsidiary	1,190	-	-	-

28. 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 2020	31 March 2019
	Amount in USD	Amount in USD
Revenue from customers		
United States of America	18,744,264	14,015,897
United Kingdom	-	-
Europe	-	667
Asia Pacific	27,137,974	27,083,371
Total Revenue	45,882,238	41,099,935

The Company has two customers with revenue greater than 10% each of the total Company's revenue totalling to USD 32,759,326 for the year ended 31 March 2020 and one customer with a revenue greater than 10% each of the Company revenue totalling USD 27,083,371 for the year ended 31 March 2019.

	As at	As at
	31 March 2020	31 March 2019
	Amount in USD	Amount in USD
Non - current operating assets		
United States of America	4,660,823	2,414,250
Total Assets	4,660,823	2,414,250

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

29. Financial risk management objectives and policies

The Company's principal financial liabilities comprises trade, other payables and lease liabilities. 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.

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

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

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

Financial instruments and 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 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 USD				
	On demand	Less than 3 months	3 to 12 months	> 1 years	Total
As at 31 March 2020					
Other financial liabilities	-	1,566,871	-	-	1,566,871
Trade and other payables	-	110,484	-	-	110,484
	-	1,677,355	-	-	1,677,355

The maturity analysis of lease liabilities are disclosed in Note 25.

	Amount in USD				
	On demand	Less than 3 months	3 to 12 months	> 1 years	Total
As at 31 March 2019					
Other financial liabilities	-	1,356,840	-	-	1,356,840
Trade and other payables	-	167,306	-	-	167,306
	-	1,524,146	-	-	1,524,146

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.

30. 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 2020 and 31 March 2019.

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: 09 June 2020

Anjan Malik

Director

		As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	3	253,351	139,758
Right of use assets	24	424,490	
Intangible assets	4	-	-
Financial assets			
Other financial assets	7	33,761	33,761
		711,602	173,519
Current assets			
Financial assets			
Trade receivables	5	1,506,144	1,231,393
Cash and cash equivalents	6	1,054,479	1,011,743
Other financial assets	7	190,753	240,641
Other current assets	8	232,080	197,746
Current tax assets (net)		-	7,967
		2,983,456	2,689,490
Total assets		3,695,058	2,863,009
Equity and liabilities			
Equity			
Equity share capital	9	100	100
Contribution from Holding Company	10	405,779	414,850
Other equity	11	2,118,427	1,771,564
Total equity		2,524,306	2,186,514
Non-current liabilities			
Deferred tax liabilities (net)	16	23,650	1,985
Employee Benefit Obligations	12	37,527	28,355
Financial liabilities			
Lease liabilities	24	244,262	-
		305,439	30,340
Current liabilities			
Financial liabilities			
Trade payables	13		
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises		20,442	51,699
Lease liabilities	24	199,950	-
Other financial liabilities	14	142,374	221,749
Other current liabilities	15	-	2,352
Employee benefit obligations	12	480,416	370,355
Current tax liabilities (net)		22,131	-
		865,313	646,155
Total equity and liabilities		3,695,058	2,863,009

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: 09 June 2020

Anjan Malik

Director

eClerx Limited

Statement of profit and loss for the year ended 31 March 2020

		For the year ended 31 March 2020	For the year ended 31 March 2019
	Notes	Amount in GBP	Amount in GBP
Revenue from operations	17	6,838,522	5,741,901
Other Income	18	61,633	1,440
Total income		6,900,155	5,743,341
Expenses			
Employee benefits expense	19	4,191,930	3,620,304
Cost of technical sub-contractors		809,686	733,948
Finance Cost	20	21,626	-
Depreciation expense	21	265,297	73,064
Other expenses	22	1,240,045	1,300,384
Total expense		6,528,584	5,727,700
Profit before tax		371,571	15,641
Tax expense			
Current tax	16		
Pertaining to current year		53,098	19,848
Adjustments in respect of current income tax of previous year		-	(58,035)
Deferred tax	16	25,069	(12,451)
Income tax expense / (credit)		78,167	(50,638)
Profit for the year		293,404	66,279
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		293,404	66,279
Earnings per equity share (in GBP)			
Basic (Face value of GBP 1 each)	23	2,934.04	662.79
Diluted (Face value of GBP 1 each)	23	2,934.04	662.79

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: 09 June 2020

Anjan Malik

Director

eClerx Limited**Statement of cash flows for the year ended 31 March 2020**

		31 March 2020	31 March 2019
	Notes	Amount in GBP	Amount in GBP
Operating activities			
Profit before tax		371,571	15,641
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	21	265,297	65,335
Depreciation of intangible assets	21	-	7,729
Share-based payment expense	19	58,899	32,690
Finance cost	20	21,626	-
		717,393	121,395
Working capital adjustments:			
Increase / (Decrease) in employee benefit obligations		119,233	(316,294)
(Increase) / Decrease in trade receivables		(274,751)	741,751
Decrease / (Increase) in other financial assets and other assets		15,554	(150,037)
(Decrease) / Increase in trade payables, other current and non current liabilities and financial liabilities		(112,983)	15,009
Cash generated by operating activities		464,446	411,824
Income tax (net of refunds)		(23,000)	21,831
Net cash flows generated from operating activities		441,446	433,655
Investing activities			
Purchase of property, plant and equipment (including capital work in progress)		(183,710)	(26,557)
Net cash flows (used in) investing activities		(183,710)	(26,557)
Financing activities			
Finance cost		(21,626)	-
Payment of principal portion of lease liabilities		(193,374)	-
Net cash flows (used in) financing activities		(215,000)	-
Net increase in cash and cash equivalents		42,736	407,098
Cash and cash equivalents at the beginning of the year	6	1,011,743	604,645
Cash and cash equivalents at the year end		1,054,479	1,011,743
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: 09 June 2020

Anjan Malik

Director

eClerx Limited
Statement of changes in equity for the year ended 31 March 2020

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 2018	100	100
As at 31 March 2019	100	100
As at 31 March 2020	100	100

b. Other equity

For the year ended 31 March 2020

	Amount in GBP		
Particulars	Contribution from Holding Company	Retained earnings	Total equity attributable to equity share holders of the Company
As at 1 April 2019	414,850	1,771,564	2,186,414
Stock compensation charge	58,899	-	58,899
Adjustment on adoption of Ind AS 116	-	(14,511)	(14,511)
Adjustment of reversal of ESOP cost on lapse of 2014 grant	(67,970)	67,970	-
Profit for the year	-	293,404	293,404
As at 31 March 2020	405,779	2,118,427	2,524,206

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	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

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: 09 June 2020

Anjan Malik

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") specified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These financial statements have been prepared on the request of eClerx Services Limited, the Holding Company to comply with the financial reporting requirements in India.

As the Company is not domiciled in India and hence not registered under the Act, these financial statements have not been prepared to fully comply with the Act, and so they do not reflect all disclosure requirements of the Act.

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.

New and amended standards

Accounting policies have been consistently applied except where a newly - issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hiterto in use. The Company applied Ind AS 116 - Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

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:

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 from sale of service to the Holding Company is recognised as cost plus mark-up on the basis of agreement between the Holding Company and Company.

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 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 reassessed 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.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from 1 April 2019. The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that there is no impact on retained earnings.

e. Property, plant and equipment

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

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

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

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

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

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

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization 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 amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization 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

g. Leases**The Company as lessee**

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

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of low-value assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Transition

The Company has adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. The Company has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of initial application.

The Company has selected practical expedient for the following:

- a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense over the lease term.
- b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.
- c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

On transition to Ind AS 116, the Company has recognized right-of-use asset of GBP 619,671 and a lease liability of GBP 637,586 in the financial statements as on the date of initial application. The cumulative effect of applying the standard resulted in GBP 14,511 being debited to the opening retained earnings, net of taxes. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended 31 March 2020, the Company has recognized depreciation on right-of-use asset GBP 195,181 along with interest on lease liability of GBP 21,626 respectively. The effect of this standard is not significant on the profit for the year of the Company. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities in previous periods.

h. 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.

i. 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.

j. 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.

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.

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 ECL (ECL that result from all possible default events over the life of the financial instrument).

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a 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.

I. Retirement and other employee benefits

United Kingdom Pension Plan

Retirement benefit in the form of pension plan 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.

m. 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.

n. 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. Revenue recognition

The Company used the percentage-of-completion method in accordance for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. 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.

c. 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.

d. Leases

The Company has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination option and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

2. D. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables and unbilled revenue. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to monitor any material impact due to changes in future economic conditions.

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 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
Additions	161,150	-	1,066	21,494	183,710
Disposals	-	-	-	-	-
As at 31 March 2020	354,518	170,412	19,779	82,384	627,093
Depreciation and impairment					
As at 1 April 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
Depreciation charge for the year	37,382	23,295	2,363	7,077	70,117
Disposals	-	-	-	-	-
As at 31 March 2020	187,231	116,475	13,264	56,772	373,742
Net Book Value					
As at 31 March 2020	167,287	53,937	6,515	25,612	253,351
As at 31 March 2019	43,519	77,232	7,812	11,195	139,758

4. Intangible assets

	Computer software	Total
	Amount in GBP	Amount in GBP
Cost		
As at 31 March 2018	18,439	18,439
Additions	-	-
Disposals	-	-
As at 31 March 2019	18,439	18,439
Additions	-	-
Disposals	-	-
As at 31 March 2020	18,439	18,439
Amortisation and impairment		
As at 31 March 2018	10,710	10,710
Amortisation charge for the year	7,729	7,729
Disposals	-	-
As at 31 March 2019	18,439	18,439
Amortisation charge for the year	-	-
Disposals	-	-
As at 31 March 2020	18,439	18,439
Net Book Value		
As at 31 March 2020	-	-
As at 31 March 2019	-	-

Financial assets

5. Trade receivables

	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
Trade receivables	50,521	107,901
Receivables from other related parties	1,455,623	1,123,492
Total trade receivables	1,506,144	1,231,393
	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
Considered good - Secured	-	-
Considered good - Unsecured	1,506,144	1,231,393
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	1,506,144	1,973,144
Less: Loss allowance	-	-
Total trade receivables	1,506,144	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

Balances with banks:

In current accounts

As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
1,054,479	1,011,743
1,054,479	1,011,743

7. Other financial assets

	As at 31 March 2020	As at 31 March 2019
	Amount in GBP	Amount in GBP
Non-current		
Corporate premises rent deposits	33,761	33,761
	33,761	33,761
Current		
Unbilled receivables	156,643	196,595
Staff accomodation rent deposits	5,621	5,621
Other deposits	2,119	2,751
Other advances	26,370	35,674
	190,753	240,641
	224,514	274,402

Break up of financial assets carried at amortised cost

	As at 31 March 2020	As at 31 March 2019
	Amount in GBP	Amount in GBP
Trade receivables (refer note 5)	1,506,144	1,231,393
Cash and cash equivalents (refer note 6)	1,054,479	1,011,743
Other financial assets (refer note 7)	224,514	274,402
Total financial assets carried at amortised cost	2,785,137	2,517,538

8. Other current assets

	As at 31 March 2020	As at 31 March 2019
	Amount in GBP	Amount in GBP
Prepaid expenses	170,941	169,324
Other tax credits	61,139	28,422
	232,080	197,746

9. Share capital**Authorised share capital**

	Equity shares	
	As at 31 March 2020	As at 31 March 2019
Authorized share capital		
1,000 (31 March 2019: 1,000) shares of GBP 1 each	1,000	1,000
Issued, subscribed and fully paid up		
100 (31 March 2019: 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 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
eClerx Services Limited	100	100%	100	100%

10. Contribution from Holding Company

	As at 31 March 2020	As at 31 March 2019
ESOP charge from Holding Company		
Balance, beginning of the year	414,850	382,160
Charge for the year (refer note 19)	58,899	32,690
Adjustment of reversal of ESOP cost on lapse of 2014 grant	(67,970)	-
Balance, end of the year	405,779	414,850

11. Other equity**Retained earnings**

	Amount in GBP
As at 1 April 2018	1,705,285
Add: Profit during the year	66,279
As at 31 March 2019	1,771,564
Less: Adjustment on adoption of Ind AS 116	(14,511)
Add: Adjustment of reversal of ESOP cost on lapse of 2014 grant	67,970
Add: Profit during the year	293,404
As at 31 March 2020	2,118,427

Other reserves

	As at 31 March 2020	As at 31 March 2019
	Amount in GBP	Amount in GBP
Retained earnings	2,118,427	1,771,564
	2,118,427	1,771,564

12. Employee benefit obligations

	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
Non-current		
Incentive to employees	37,527	28,355
	37,527	28,355
Current		
Incentive to employees	480,416	370,355
	480,416	370,355

13. Trade payables

	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
13.a. Dues of Micro enterprises and small enterprises		
Amount due to vendor	-	-
Principal amount paid (includes unpaid) beyond appointed date	-	-
Interest due and payable for the year	-	-
Interest accrued and remaining unpaid	-	-
13.b. Dues to creditors other than Micro enterprises and small enterprises		
Trade payables	20,442	3,311
Trade payables to related parties	-	48,388
	20,442	51,699

- 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 27.
- Trade payables are measured at amortised cost

14. Other financial liabilities

	Amount in GBP	Amount in GBP
Accrued expenses	118,387	221,363
Contract liabilities	10,863	386
Payables for capital expenditure	13,124	-
	142,374	221,749

Break up of financial liabilities at amortised cost

Trade payables (refer note 13.a. and 13.b.)	20,442	51,699
Other financial liabilities (refer note 14)	142,374	221,749
	162,816	273,448

15. Other current liabilities

	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
Statutory dues	-	2,352
	-	2,352

16. Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Statement of profit and loss:

Profit and loss section

Current Income tax:

Current income tax charged 53,098
Adjustment in respect of current income tax of previous years -

Deferred tax:

Income tax expense reported in the statement of profit and loss

As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
53,098	19,848
-	(58,035)
25,069	(12,451)
78,167	(50,638)

Reconciliation of tax expense and the accounting profit multiplied by United Kingdom's domestic tax rate for 31 March 2019 and 31 March 2020

Accounting profit before income tax

At statutory income tax rate of 19% (31 March 2019: 19%)
Adjustments in respect of current income tax of previous years
Tax on non-deductible expenses
Income tax expense / (credit) reported in the statement of profit and loss
at the effective income tax rate of 21.04% (31 March 2019: -323.75%)

As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
371,571	15,641
70,598	2,972
-	(58,035)
7,569	4,425
78,167	(50,638)

Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		Profit & Loss	
	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP	As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
Accelerated depreciation for tax purposes	(36,735)	(10,473)	26,262	(3,963)
Expenses available for offsetting against future taxable income	9,338	8,488	(850)	(8,488)
Lease as per IND AS 116	3,747	-	(3,747)	-
Opening lease as per IND AS 116	-	-	3,404	-
Deferred tax expense/(income)			25,069	(12,451)
Net deferred tax liabilities	(23,650)	(1,985)		

Reflected in the balance sheet as follows:

Deferred tax assets
Deferred tax liabilities
Deferred tax liabilities, net

As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
13,085	8,488.00
(36,735)	(10,473)
(23,650)	(1,985)

Reconciliation of deferred tax liabilities (net):

Opening balance
Tax income/(expense) during the period recognised in profit and loss
Deferred tax asset created on opening lease as per IND AS 116
Closing balance

As at 31 March 2020 Amount in GBP	As at 31 March 2019 Amount in GBP
(1,985)	(14,436)
(25,069)	12,451
3,404	-
(23,650)	(1,985)

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 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Sale of services	6,838,522	5,741,901
Total	6,838,522	5,741,901

Revenue consists of the following:

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Revenue from Sales & marketing, Consulting and ITeS services	6,791,770	5,741,901
Revenue from software development, licensing of software products & related services	46,752	-
Total revenue from operations	6,838,522	5,741,901

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.

Revenues by Geography	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
United States of America	49,215	93,365
United Kingdom	1,159,421	747,910
Asia Pacific	5,629,886	4,900,626
Total	6,838,522	5,741,901

Revenues by contract type		
Time & Materials	6,790,856	5,740,004
Fixed Price	47,666	1,897
Total	6,838,522	5,741,901

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Revenue as per contracted price	6,852,525	5,750,687
Reductions towards variable consideration components*	14,003	8,786
Revenue from contract with customers	6,838,522	5,741,901

* The reduction towards variable component comprises of volume discounts.

eClerx Limited**Notes to the financial statements for the year ended 31 March 2020**

During the year ended 31 March 2020, the company recognized GBP 386 revenue arising from opening unearned revenue as of 1 April 2019. During the year ended 31 March 2019, the Company recognised revenue of Nil arising from opening unearned revenue as on 1 April 2018.

During the year ended 31 March 2020 and 31 March 2019, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at 31 March 2020 and 31 March 2019, the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be 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.
- 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 2020, other than those meeting the exclusion criteria mentioned above, is Nil (31 March 2019: Nil). Out of this, the Company expects to recognize revenue of 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.

18. Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Miscellaneous income	61,633	1,440
	61,633	1,440

19. Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Salaries, wages and bonus	4,105,714	3,562,041
Contribution to provident and other funds	26,058	22,899
Employee stock compensation charge	58,899	32,690
Staff welfare	1,259	2,674
	4,191,930	3,620,304

20. Finance Cost

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Interest Expenses (Ind AS 116)	21,626	-
	21,626	-

21. Depreciation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Depreciation of tangible assets (refer note 3)	70,117	65,335
Depreciation of intangible assets (refer note 4)	-	7,729
Depreciation of Right to use assets (refer note 24)	195,180	-
	265,297	73,064

22. Other expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in GBP	Amount in GBP
Travelling expense	469,896	471,195
Office base rentals	129,252	280,165
Legal and professional charges	331,615	296,626
Business and promotion	67,947	53,666
Communication expense	133,226	88,356
Computer and electrical consumables	22,153	31,421
Office expense	16,463	17,939
Loss on foreign exchange fluctuation (net)	10,493	10,372
Donation	13,535	9,538
Auditor's remuneration	9,345	9,630
Repairs and maintenance		
Building	200	-
Others	6,414	7,041
Housekeeping services	8,326	7,612
Electricity	3,700	4,094
Subscription & membership fees	5,628	2,600
Other insurance	5,890	4,383
Bank charges	2,892	4,068
Printing and stationery	3,070	1,678
	1,240,045	1,300,384

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 2020	31 March 2019
	<u>Amount in GBP</u>	<u>Amount in GBP</u>
Profit attributable to equity holders	293,404	66,279
Weighted average number of equity shares for-		
Basic EPS	100	100
Dilutive EPS	100	100
Earnings per equity share (in GBP)		
Basic	2,934.04	662.79
Diluted	2,934.04	662.79

24. Leases**Operating lease — Company as lessee**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period :

	31 March 2020
	<u>Amount in GBP</u>
As at 31 March 2019 (restated)	619,671
Depreciation expense (refer note 21)	(195,181)
As at 31 March 2020	424,490

eClerx Limited**Notes to the financial statements for the year ended 31 March 2020**

Set out below are the carrying amounts of lease liabilities and movements during the period :

	31 March 2020
	Amount in GBP
As at April 1, 2019	637,586
Accretion of Interest	21,626
Payments	(215,000)
As at March 31 , 2020	444,212
Current	199,950
Non - current	244,262

The maturity analysis of undiscounted lease liabilities as at March 31, 2020 are as follows:

	31 March 2020
	Amount in GBP
Within one year	215,000
After one year but not more than five years	253,819
Total	468,819

The effective interest rate for lease liabilities is 3.39%, with maturity of June 2022.

The following are the amounts recognized in profit or loss :

	31 March 2020
	Amount in GBP
Depreciation expense of right-of-use assets	195,181
Interest expense on lease liabilities	21,626
Total amount recognized in profit or loss	216,807

The Company had cash outflows of for leases of GBP 215,000 for the year ended 31 March 2020.

The Company does not have non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2020. There are no future cash outflows relating to leases that have not yet commenced.

The difference between the future minimum lease commitments under Ind AS 17 – Leases reported as of 31 March 2019 and the value of lease liability recorded as on 1 April 2019 on adoption of Ind AS 116 – Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS 116.

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. Baljit Phull (Director) (resigned w.e.f. 31 March 2020)

(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 Investments (UK) Limited
2. CLX Europe Media Solution Limited

Holding Company:

1. eClerx Services 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 2020	31 March 2019	31 March 2020	31 March 2019
		Amount in GBP	Amount in GBP	Amount in GBP	Amount in GBP
eClerx Services Limited	Sale of services	5,756,386	4,774,126	1,436,122	1,100,026
	Amount received by Holding Company on behalf of Company	78,283	-	Receivable	Receivable
	Equity Contribution for stock options (refer note 10)	58,899	32,690	-	48,388
	Expenses incurred by Holding Company on behalf of Company	38,067	25,516		Payable
	Amount received by Company on behalf of Holding Company	103,069	135,677		
eClerx Investments (UK) Limited	Expenses incurred on behalf of fellow subsidiary	5,000	628	-	-
CLX Europe Media Solution Limited	Expenses incurred on behalf of fellow subsidiary	72,290	78,899	19,501	23,466
	Expenses incurred by fellow subsidiary on behalf of Company	-	44,814	-	-

eClerx Limited**Notes to the financial statements for the year ended 31 March 2020****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**Anjan Malik**

Short-term employee benefits

Total compensation paid to key management personnel

31 March 2020	31 March 2019
Amount in GBP	Amount in GBP
153,560	154,240
153,560	154,240

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

26. 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:

Revenue from customers

United States of America

United Kingdom

Asia Pacific

Total Revenue

For the year ended	
31 March 2020	31 March 2019
Amount in GBP	Amount in GBP
49,215	93,365
1,159,421	747,910
5,629,886	4,900,626
6,838,522	5,741,901

The Company has one customer with revenue greater than 10% of the total Company's revenue totalling to GBP 5,756,386 for the year ended 31 March 2020 and one customer with a revenue greater than 10% of the Company revenue totalling GBP 4,774,126 for the year ended 31 March 2019.

Non - current operating assets

United Kingdom

Total Assets

As at	As at
31 March 2020	31 March 2019
Amount in GBP	Amount in GBP
711,602	173,519
711,602	173,519

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

27. Financial risk management objectives and policies

The Company's principal financial liabilities comprises trade, other payables and lease liabilities. 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.

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.

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.

eClerx Limited**Notes to the financial statements for the year ended 31 March 2020**

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 2020					
Other financial liabilities	-	142,374	-	-	142,374
Trade and other payables	-	20,442	-	-	20,442
	-	162,816	-	-	162,816

The maturity analysis of lease liabilities are disclosed in Note 24.

	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	-	51,699	-	-	51,699
	-	273,448	-	-	273,448

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 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 2020.

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: 09 June 2020

Anjan Malik

Director

		As at 31 March 2020 Amount in SGD	As at 31 March 2019 Amount in SGD
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	3.a.	98,501	133,140
Intangible assets	3.b.	203	371
Right of use assets	24	243,018	-
Financial assets			
Other financial assets	6	50,023	50,023
		391,745	183,534
Current assets			
Financial assets			
Trade receivables	4	853,122	1,610,105
Cash and cash equivalents	5	1,617,350	150,955
Other financial assets	6	91,217	707,322
Other current assets	7	93,158	28,544
		2,654,847	2,496,926
Total assets		3,046,592	2,680,460
Equity and liabilities			
Equity			
Equity share capital	8	1	1
Contribution from Holding Company	9	109,214	103,745
Other equity	10	2,361,813	1,965,231
Total equity		2,471,028	2,068,977
Non-current liabilities			
Other non current liabilities	14	-	1,874
Deferred tax liabilities (net)	16	13,507	7,120
Employee benefit obligations	11	38,476	39,512
Financial liabilities			
Lease liabilities	24	180,259	-
		232,242	48,506
Current liabilities			
Financial liabilities			
Trade payables	12		
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises		41,724	53,122
Lease liabilities	24	81,013	-
Other financial liabilities	13	42,074	194,899
Other current liabilities	15	37,102	67,700
Employee benefit obligations	11	70,376	60,598
Current tax liabilities (net)		71,033	186,658
		343,322	562,977
Total equity and liabilities		3,046,592	2,680,460
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: 09 June 2020

Anjan Malik
Director

eClerx Private Limited
Statement of Profit and Loss for the year ended 31 March 2020

		For the year ended 31 March 2020	For the year ended 31 March 2019
	Notes	Amount in SGD	Amount in SGD
Revenue from operations	17	6,310,915	6,410,553
Other Income	18	56,510	8,422
Total income		6,367,425	6,418,975
Expenses			
Employee benefits expense	19	4,335,886	4,322,433
Cost of technical sub-contractors		823,885	524,416
Finance cost	20	18,148	-
Depreciation and amortisation expense	21	144,588	54,560
Other expenses	22	590,090	571,834
Total expenses		5,912,597	5,473,243
Profit before tax		454,828	945,732
Tax expenses			
Current tax	16		
Pertaining to current year		71,033	159,410
Adjustments in respect of current income tax of previous year		(27,092)	23,183
Deferred tax		8,278	7,120
Income tax expense		52,219	189,713
Profit for the year		402,609	756,019
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		402,609	756,019
Earnings per equity share (in SGD)			
Basic (Face value of SGD 1 each)	23	402,609	756,019
Diluted (Face value of SGD 1 each)	23	402,609	756,019
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: 09 June 2020

Anjan Malik

Director

eClerx Private Limited
Statement of cash flows for the year ended 31 March 2020

		31 March 2020	31 March 2019
	Notes	Amount in SGD	Amount in SGD
Operating activities			
Profit before tax		454,828	945,732
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	3	144,588	54,560
Share-based payment expense	19	6,803	5,372
Finance cost	20	18,148	-
		624,367	1,005,664
Working capital adjustments:			
Increase / (Decrease) in employee benefit obligations		8,742	(156,647)
Decrease / (Increase) in trade receivables		756,983	(182,942)
Decrease / (Increase) in other financial assets and other assets		551,491	(507,099)
Increase in trade payables, other current and non current liabilities and financial liabilities		(194,821)	15,796
Cash generated by operating activities		1,746,762	174,772
Income tax (paid) (Net of refunds)		(159,566)	(37,888)
Net cash flows generated by operating activities		1,587,196	136,884
Investing activities			
Purchase of property, plant and equipment (including capital work in progress)		(21,279)	(107,077)
Net cash flows (used in) investing activities		(21,279)	(107,077)
Financing activities			
Finance cost		(18,148)	-
Payment of principal portion of lease liabilities		(81,374)	-
Net cash flows (used in) financing activities		(99,522)	-
Net increase in cash and cash equivalents		1,466,395	29,807
Cash and cash equivalents at the beginning of the year	5	150,955	121,148
Cash and cash equivalents at the year end		1,617,350	150,955
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: 09 June 2020

Anjan Malik
Director

eClerx Private Limited
Statement of changes in equity for the year ended 31 March 2020

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 2018	1	1
As at 31 March 2019	1	1
As at 31 March 2020	1	1

b. Other equity

For the year ended 31 March 2020

Amount in SGD

Particulars	Contribution from Holding Company	Retained Earnings	Total equity attributable to equity share holders of the Company
As at 1 April 2019	103,745	1,965,231	2,068,976
Stock compensation charge / (credit)	6,803	-	6,803
Adjustment of lease opening balances	-	(7,361)	(7,361)
Adjustment of reversal of ESOP cost on lapse of 2014 grant	(1,334)	1,334	-
Profit for the period	-	402,609	402,609
As at 31 March 2020	109,214	2,361,813	2,471,027

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

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: 09 June 2020

Anjan Malik

Director

eClerx Private Limited

Notes to the financial statements for the year ended 31 March 2020

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") specified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These financial statements have been prepared on the request of eClerx Services Limited, the Holding Company to comply with the financial reporting requirements in India.

As the Company is not domiciled in India and hence not registered under the Act, these financial statements have not been prepared to fully comply with the Act, and so they do not reflect all disclosure requirements of the Act.

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.

New and amended standards

Accounting policies have been consistently applied except where a newly - issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hiterto in use. The Company applied Ind AS 116 - Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

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

Ind AS 115 Revenue from Contracts with Customers

Revenue recognition:

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

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

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 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.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from 1 April 2019. The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that there is no impact on retained earnings.

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 Company as lessee

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

The Company recognizes right-of-use asset and a corresponding lease liability for all lease arrangements in which the Company is a lessee, except for a short term lease of 12 months or less and leases of lowvalue assets. For short term lease and low-value asset arrangements, the Company recognizes the lease payments as an operating expense on straight-line basis over the lease term.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease arrangement. Right-of-use assets and lease liabilities are measured according to such options when it is reasonably certain that the Company will exercise these options.

The right-of-use asset are recognized at the inception of the lease arrangement at the amount of the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date of lease arrangement reduced by any lease incentives received, added by initial direct costs incurred and an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Estimated useful life of right-of-use assets is determined on the basis of useful life of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is an indication that their carrying value may not be recoverable. Impairment loss, if any is recognized in the statement of profit and loss account.

The lease liability is measured at amortized cost, at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease arrangement or, if not readily determinable, at the incremental borrowing rate in the country of domicile of such leases. Lease liabilities are remeasured with corresponding adjustments to right-of-use assets to reflect any reassessment or lease modifications.

Transition

The Company has adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method. Cumulative effect of initially applying the standard has been recognized on the date of initial application and hence the Company has not restated comparative information. The Company has recorded Lease liability at the present value of the future lease payments discounted at the incremental borrowing rate and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of initial application.

The Company has selected practical expedient for the following:

- a) Not recognizing right-of-use asset and lease liability for leases having a lease term of 12 months or less as on date of initial application and leases of low-value assets. The Company recognizes the lease payments associated with such leases as an expense over the lease term.
- b) Excluded the initial direct cost from the measurement of the right of use asset at the date of initial application.
- c) Ind AS 116 is applied only to those contracts that were previously identified as leases under Ind AS 17.

On transition to Ind AS 116, the Company has recognized right-of-use asset of SGD 331,520 and a lease liability of SGD 342,646 in the financial statements as on the date of initial application. The cumulative effect of applying the standard resulted in SGD 7,361 being debited to the opening retained earnings, net of taxes. Due to adoption of Ind AS 116, the nature of expenses have changed from rent in previous periods to depreciation cost on right-of-use asset and finance cost for interest on lease liability. During the year ended 31 March 2020, the Company has recognized depreciation on right-of-use asset SGD 88,502 along with interest on lease liability of SGD 18,148 respectively. The effect of this standard is not significant on the profit for the year of the Company. Further as per Ind AS 116, the principal portion of lease payments and interest on lease liability has been disclosed under the cash outflow from financing activities. Operating lease payments as per Ind AS 17 – Leases were disclosed under the cash outflow from operating activities in previous periods.

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 equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and 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.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a 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.

I. 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. Revenue recognition

The Company used the percentage-of-completion method in accordance for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended.

Judgement is also required to determine transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

b. 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.

c. 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.

d. Leases

The Company has entered into commercial property leases for its offices. Further, the Company has also adopted Ind AS 116 'Leases' with effect from 1 April 2019 using the modified retrospective method.

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate. The Company has lease contracts which include extension and termination option and this requires exercise of judgement by the Company in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. The discount rate is generally based on the incremental borrowing rate specific to the lease period.

2. D. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables, unbilled revenue and intangible assets. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to monitor any material impact due to changes in future economic conditions.

3.a. 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 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
Additions	20,972	307	-	-	21,279
Disposals	-	-	-	-	-
As at 31 March 2020	64,953	52,581	112,205	9,273	239,012
Depreciation and impairment					
As at 1 April 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
Depreciation charge for the year	20,243	11,529	22,441	1,705	55,918
Disposals	-	-	-	-	-
As at 31 March 2020	48,275	38,290	49,555	4,391	140,511
Net Book Value					
As at 31 March 2020	16,678	14,291	62,650	4,882	98,501
As at 31 March 2019	15,949	25,513	85,091	6,587	133,140
As at 1 April 2018	3,142	43,887	107,532	7,649	162,210

3.b. Intangible Assets

	Computer software
	Amount in SGD
Cost	
As at 1 April 2018	-
Additions	503
Disposals	-
As at 31 March 2019	503
Additions	-
Disposals	-
As at 31 March 2020	503
Amortisation and impairment	
As at 1 April 2018	-
Amortisation charge for the year	132
Disposals	-
As at 31 March 2019	132
Amortisation charge for the year	168
Disposals	-
As at 31 March 2020	300
Net Book Value	
As at 31 March 2020	203
As at 31 March 2019	371
As at 1 April 2018	-

eClerx Private Limited
Notes to the financial statements for the year ended 31 March 2020
Financial assets
4. Trade receivables

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Trade receivables	395,122	1,052,478
Receivables from other related parties	458,000	557,627
Total trade receivables	853,122	1,610,105
	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Considered good - Secured	-	-
Considered good - Unsecured	853,122	1,610,105
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	853,122	1,610,105
Less: Loss allowance	-	-
Total trade receivables	853,122	1,610,105

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

Balances with banks:
In current accounts

As at 31 March 2020	As at 31 March 2019
Amount in SGD	Amount in SGD
1,617,350	150,955
1,617,350	150,955

6. Other financial assets
Non-current

Corporate premises rent deposits
Other deposits

As at 31 March 2020	As at 31 March 2019
Amount in SGD	Amount in SGD
44,200	44,200
5,823	5,823
50,023	50,023

Current

Unbilled receivables
Other advances

72,623	366,433
18,594	340,889
91,217	707,322
141,240	757,345

eClerx Private Limited**Notes to the financial statements for the year ended 31 March 2020****Break up of financial assets carried at amortised cost**

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Trade receivables (refer note 4)	853,122	1,610,105
Cash and cash equivalents (refer note 5)	1,617,350	150,955
Other financial assets (refer note 6)	141,240	757,345
Total financial assets carried at amortised cost	2,611,712	2,518,405

7. Other current assets

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Prepaid expenses	38,258	28,544
Government grant receivable	54,900	-
	93,158	28,544

8. Share capital**Authorised share capital**

	Equity shares	
	As at 31 March 2020	As at 31 March 2019
Authorized share capital		
1 (31 March 2019: 1) shares of SGD 1 each	1	1
Issued, subscribed and fully paid up		
1 (31 March 2019: 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 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
eClerx Services Limited	1	100%	1	1

9. Contribution from Holding Company

	As at 31 March 2020	As at 31 March 2019
ESOP charge from Holding Company		
Balance, beginning of the year	103,745	98,373
Charge for the year (refer note 19)	6,803	5,372
Adjustment of ESOP Cost reversal due to lapse of options	(1,334)	-
Balance, end of the year	109,214	103,745

10. Other equity**Retained earnings**

	Amount in SGD
As at 1 April 2018	1,209,212
Add: Profit during the year	756,019
As at 31 March 2019	1,965,231
Add: Profit during the year	402,609
Less: Adjustment of lease opening balances	(7,361)
Add: Adjustment of ESOP Cost reversal due to lapse of options	1,334
As at 31 March 2020	2,361,813

Other reserves

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Retained earnings	2,361,813	1,965,231
	2,361,813	1,965,231

11. Employee benefit obligations

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Non Current		
Incentive to employees	38,476	39,512
Current		
Incentive to employees	70,376	60,598
	108,852	100,110

12. Trade payables

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
12.a. Dues of Micro enterprises and small enterprises		
Amount due to vendor	-	-
Principal amount paid (includes unpaid) beyond appointed date	-	-
Interest due and payable for the year	-	-
Interest accrued and remaining unpaid	-	-
12.b. Dues to creditors other than Micro enterprises and small enterprises		
Trade payables	1,916	22,570
Trade payables to related parties	39,808	30,552
	41,724	53,122

- 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.

13. Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Accrued expenses	29,820	32,512
Contract liabilities	12,254	162,387
	42,074	194,899
Break up of financial liabilities at amortised cost		
Trade payables (refer note 12.a. and 12.b.)	41,724	53,122
Other financial liabilities (refer note 13)	42,074	194,899
	83,798	248,021

14. Other non-current liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Lease equalisation reserve	-	1,874
	-	1,874

15. Other current liabilities

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Statutory dues	37,102	67,700
	37,102	67,700

16. Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Statement of profit and loss:

Profit and loss section

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Current Income tax:		
Current income tax charged	71,033	159,410
Adjustment in respect of current income tax of previous year	(27,092)	23,183
Deferred tax:	8,278	7,120
Income tax expense reported in the statement of profit and loss	52,219	189,713

Reconciliation of tax expense and the accounting profit multiplied by Singapore's domestic tax rate for 31 March 2020 and 31 March 2019:

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Accounting profit before income tax	454,828	945,732
Add: Non-deductible expenses on which tax is applicable	114,205	136,357
Taxable profit	569,033	1,082,089
Income tax expense at Singapore's statutory income tax rate of 17% (31 March 2019: 17%)	96,736	183,955
Less: Income tax on exempt profits	(17,425)	(17,425)
Net taxable profits	79,311	166,530
Adjustments in respect of current income tax of previous years	(27,092)	23,183
Income tax expense reported in the statement of profit and loss at the effective income tax rate of 11.48% (31 March 2019: 20.06%)	52,219	189,713

Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		Profit & Loss	
	As at 31 March 2020	As at 31 March 2019	31 March 2020	31 March 2019
	Amount in SGD	Amount in SGD	Amount in SGD	Amount in SGD
Accelerated depreciation for tax purposes	(16,610)	(7,120)	9,490	7,120
Lease as per IND AS 116	3,103	-	(3,103)	-
Opening lease adjustment per IND AS 116	-	-	1,891	-
Deferred tax expense			8,278	7,120
Net deferred tax liabilities	(13,507)	(7,120)		

Reflected in the balance sheet as follows:

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Deferred tax liabilities	(13,507)	(7,120)
Deferred tax liabilities, net	(13,507)	(7,120)

Reconciliation of deferred tax liabilities (net):

	As at 31 March 2020	As at 31 March 2019
	Amount in SGD	Amount in SGD
Opening balance	(7,120)	-
Tax income/(expense) during the period recognised in profit and loss	(8,278)	(7,120)
DTA created on opening lease as per IND AS 116	1,891	-
Closing balance	(13,507)	(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 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Sale of services	6,310,915	6,410,553
	6,310,915	6,410,553

Revenue consists of the following:

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Revenue from Sales & marketing, Consulting and ITeS services	6,310,915	6,339,810
Revenue from software development, licensing of software products & related services	-	70,743
Total revenue from operations	6,310,915	6,410,553

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.

Revenues by Geography	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Asia Pacific	6,034,347	6,217,465
Europe	276,568	184,892
United Kingdom	-	8,196
Total	6,310,915	6,410,553

Revenues by contract type	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Time & Materials	6,310,915	6,171,645
Fixed Price	-	238,908
Total	6,310,915	6,410,553

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Revenue as per contracted price	6,310,915	6,474,422
Reduction towards variable consideration components*	-	63,869
Revenue from contract with customers	6,310,915	6,410,553

* The reduction towards variable components comprises of volume discounts.

During the year ended 31 March 2020, the company recognized revenue of SGD 162,387 arising from opening unearned revenue as of 1 April 2019. During the year ended 31 March 2019, the Company recognised revenue of SGD 101,657 arising from opening unearned revenue as on 1 April 2018.

eClerx Private Limited**Notes to the financial statements for the year ended 31 March 2020**

During the year ended 31 March 2020 and 31 March 2019, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at 31 March 2020 and 31 March 2019, the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be 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 2020, other than those meeting the exclusion criteria mentioned above, is Nil (31 March 2019: SGD 15,050). Out of this, the Company expects to recognize revenue of Nil (31 March 2019: 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.

18. Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Miscellaneous income	1,610	8,422
Government grant	54,900	-
	56,510	8,422

19. Employee benefits expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Salaries, wages and bonus	4,325,614	4,317,013
Employee stock compensation charge	6,803	5,372
Staff welfare	3,469	48
	4,335,886	4,322,433

eClerx Private Limited

Notes to the financial statements for the year ended 31 March 2020

20. Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Interest Expenses (Ind AS 116)	18,148	-
Total finance cost	18,148	-

21. Depreciation and amortisation expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Depreciation of tangible assets (refer note 3.a.)	55,918	54,428
Amortisation of intangible assets (refer note 3.b.)	168	132
Depreciation on Right to Use on lease assets (refer note 24)	88,502	-
	144,588	54,560

22. Other expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in SGD	Amount in SGD
Legal and professional charges	144,529	153,328
Office base rentals	27,448	125,772
Travelling expense	179,782	96,331
Loss on foreign exchange fluctuation (net)	69,406	37,839
Communication expense	103,995	100,639
Office expense	5,554	2,662
Auditor's remuneration	9,300	9,300
Computer and electrical consumables	11,864	10,783
Bank charges	9,076	6,287
Printing and stationery	2,308	1,387
Other insurance	-	89
Electricity	1,324	1,291
Business promotion	9,696	15,547
Housekeeping Services	4,800	4,400
Subscription & membership fees	10,139	6,159
Repairs and maintenance		
Building	275	20
Others	594	-
	590,090	571,834

eClerx Private Limited**Notes to the financial statements for the year ended 31 March 2020****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 2020	31 March 2019
	Amount in SGD	Amount in SGD
Profit attributable to equity holders	402,609	756,019
Weighted average number of equity shares for-		
Basic EPS	1	1
Dilutive EPS	1	1
Earnings per equity share (in SGD)		
Basic	402,609	756,019
Diluted	402,609	756,019

24. Leases**Operating lease — Company as lessee**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period :

	31 March 2020
	Amount in SGD
As at 31 March 2019 (restated)	331,520
Depreciation expense (refer note 21)	(88,502)
As at 31 March 2020	243,018

Set out below are the carrying amounts of lease liabilities and movements during the period :

	31 March 2020
	Amount in SGD
As at 1 April 2019	342,646
Accretion of Interest	18,148
Payments	(99,522)
As at 31 March 2020	261,272
Current	81,013
Non - current	180,259

eClerx Private Limited**Notes to the financial statements for the year ended 31 March 2020**

The maturity analysis of undiscounted lease liabilities as at March 31, 2020 are as follows:

	31 March 2020
	Amount in SGD
Within one year	99,523
After one year but not more than five years	188,853
Total	288,376

The effective interest rate for lease liabilities is 5.25%, with maturity on 31 December 2022.

The following are the amounts recognized in profit or loss :

	31 March 2020
	Amount in SGD
Depreciation expense of right-of-use assets	88,502
Interest expense on lease liabilities	18,148
Total amount recognized in profit or loss	106,650

The Company had cash outflows of for leases of SGD 99,523 for the year ended 31 March 2020.

The Company does not have non-cash additions to right-of-use assets and lease liabilities for the year ended March 31, 2020. There are no future cash outflows relating to leases that have not yet commenced.

The difference between the future minimum lease commitments under Ind AS 17 – Leases reported as of 31 March 2019 and the value of lease liability recorded as on April 1, 2019 on adoption of Ind AS 116 – Leases is primarily on account of discounting of the lease liability to its present value in accordance with Ind AS 116.

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. Lionel Koh Jin Kiat (Director)

(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

1. eClerx Services Limited
2. eClerx LLC (Fellow subsidiary)

eClerx Private Limited**Notes to the financial statements for the year ended 31 March 2020****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 2020	31 March 2019	31 March 2020	31 March 2019
		Amount in SGD	Amount in SGD	Amount in SGD	Amount in SGD
eClerx Services Limited	Sale of services	2,302,499	2,001,118	458,000 Receivable	557,627 Receivable
	Expenses incurred on behalf of Company by Holding Company	7,125	57,708		
	Equity contribution for stock options (refer note 9)	6,803	5,372	39,808 Payable	30,552 Payable
	Subcontract charges	507,214	18,667		
	Amount received by Company on behalf of Holding Company	-	202,554		
eClerx LLC	Expenses incurred on behalf of Company by fellow subsidiary	1,611	-	-	-

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.

26. 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 2020	31 March 2019
	Amount in SGD	Amount in SGD
Revenue from customers		
Asia Pacific	6,034,347	6,217,465
Europe	276,568	184,892
United Kingdom	-	8,196
Total Revenue	6,310,915	6,410,553

The Company has 3 customers with revenue greater than 10% each of the total Company's revenue totalling to SGD 5,487,416 for the year ended 31 March 2020 and two customers with a revenue greater than 10% each of the Company's revenue totalling SGD 5,046,431 for the year ended 31 March 2019.

	As at	As at
	31 March 2020	31 March 2019
	Amount in SGD	Amount in SGD
Non - current operating assets		
Asia Pacific	391,745	183,534
Total Assets	391,745	183,534

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

27. Financial risk management objectives and policies

The Company's principal financial liabilities comprises trade, other payables and lease liabilities. 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.

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.

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 2020					
Other financial liabilities	-	42,074	-	-	42,074
Trade and other payables	-	41,724	-	-	41,724
	-	83,798	-	-	83,798

The maturity analysis of lease liabilities are disclosed in Note 24.

	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

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.

eClerx Private Limited

Notes to the financial statements for the year ended 31 March 2020

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 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 2020 and 31 March 2019.

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: 09 June 2020

Anjan Malik

Director

eClerx Investments (UK) Limited
Balance Sheet as at 31 March 2020

		As at 31 March 2020	As at 31 March 2019
	Notes	Amount in Rupees	Amount in Rupees
Assets			
Non-current assets			
Financial assets			
Investments	3	1,183,988,595	1,183,988,595
Long term loans	5	329,230,779	401,607,851
Deferred Tax Assets (net)	11	3,876,439	-
		1,517,095,813	1,585,596,446
Current assets			
Financial assets			
Cash and cash equivalents	4	336,242,808	214,187,102
Short term loans	5	-	7,929,400
Other financial assets	6	412	28,192
Current tax assets (net)		-	1,244,984
		336,243,220	223,389,678
Total assets		1,853,339,033	1,808,986,124
Equity and liabilities			
Equity			
Equity share capital	7	1,808,643,203	1,808,643,203
Other equity	8	40,965,480	(863,899)
Total equity		1,849,608,683	1,807,779,304
Current liabilities			
Financial liabilities			
Trade payables	9		
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises		-	6,678
Other financial liabilities	10	719,036	1,200,142
Current tax liabilities (net)		3,011,314	-
		3,730,350	1,206,820
Total equity and liabilities		1,853,339,033	1,808,986,124

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: 09 June 2020

Anjan Malik
Director

eClerx Investments (UK) Limited

Statement of Profit and Loss for the year ended 31 March 2020

		For the year ended 31 March 2020	For the year ended 31 March 2019
	Notes	Amount in Rupees	Amount in Rupees
Other income	12	53,511,546	9,561,535
Total income		53,511,546	9,561,535
Expenses			
Employee benefits expense	13	8,286,024	8,244,682
Other expenses	14	4,462,223	28,252,900
Total expense		12,748,247	36,497,582
Profit / (Loss) before tax		40,763,299	(26,936,047)
Tax expense	11		
Current tax			
Pertaining to current year		2,810,359	-
Adjustments in respect of current income tax of previous year		-	-
Deferred tax		(3,876,439)	-
Income tax expense		(1,066,080)	-
Profit / (Loss) for the year		41,829,379	(26,936,047)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		41,829,379	(26,936,047)
Profit / (Loss) per equity share (in Rs.)			
Basic (Face value of GBP 1 each)	16	7.97	(5.13)
Diluted (Face value of GBP 1 each)	16	2.24	(5.13)
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: 09 June 2020

Anjan Malik

Director

eClerx Investments (UK) Limited**Statement of cash flow for the year ended 31 March 2020**

	Notes	31 March 2020 Amount in Rupees	31 March 2019 Amount in Rupees
Operating activities			
Profit / (Loss) before tax		40,763,299	(26,936,047)
Adjustments to reconcile profit before tax to net cash flows:			
Interest income	12	(7,211,383)	(9,544,965)
(Gain)/ Loss on foreign exchange fluctuation (net)	12	(46,291,692)	20,610,990
		(12,739,776)	(15,870,022)
Working capital adjustments:			
Decrease / (Increase) in long term and short term loans and advances and other financial assets		27,780	(28,192)
(Decrease) / Increase in trade payables, other current and non current liabilities and financial liabilities		(487,784)	156,651
Cash used in operating activities		(13,199,780)	(15,741,563)
Income tax paid (net of refunds)		1,445,939	(2,794,033)
Net cash flows used in operating activities		(11,753,841)	(18,535,596)
Investing activities			
Loan given to subsidiary		-	(5,303,799)
Interest received (finance income)		3,474,011	12,226,283
Repayment of loan during the year		105,930,708	100,119,256
Net cash flows from investing activities		109,404,719	107,041,740
Net increase in cash and cash equivalents	4	97,650,878	88,506,144
Cash and cash equivalents at the beginning of the year	4	214,187,102	132,774,692
Effect of exchange fluctuation on cash and cash equivalents		24,404,828	(7,093,734)
Cash and cash equivalents at the year end	4	336,242,808	214,187,102
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: 09 June 2020

Anjan Malik

Director

eClerx Investments (UK) Limited**Statement of changes in equity for the year ended 31 March 2020****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	485,693,673
Optionally convertible preference shares	13,434,888	1,322,949,530
As at 1 April 2018	18,686,112	1,808,643,203
As at 31 March 2019	18,686,112	1,808,643,203
As at 31 March 2020	18,686,112	1,808,643,203

b. Other equity**For the year ended 31 March 2020****Amount in Rupees**

Particulars	Retained earnings	Total other equity
As at 1 April 2019	(863,899)	(863,899)
Profit for the year	41,829,379	41,829,379
As at 31 March 2020	40,965,480	40,965,480

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
Loss for the year	(26,936,047)	(26,936,047)
As at 31 March 2019	(863,899)	(863,899)

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: 09 June 2020

Anjan Malik

Director

eClerx Investments (UK) Limited
Notes to the financial statements for the year ended 31 March 2020

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") specified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These financial statements have been prepared on the request of eClerx Services Limited, the Holding Company to comply with the financial reporting requirements in India.

As the Company is not domiciled in India and hence not registered under the Act, these financial statements have not been prepared to fully comply with the Act, and so they do not reflect all disclosure requirements of the Act.

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.

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.

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

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.

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.

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

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.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from 1 April 2019. The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that there is no impact on retained earnings.

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.

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

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.

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.

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

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.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a 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 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. Impairment of financial assets

For recognition of impairment loss on 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 recognizing impairment loss allowance based on 12-month ECL.

2. D. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of investment and loan. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to monitor any material impact due to changes in future economic conditions.

eClerx Investments (UK) Limited
Notes to the financial statements for the year ended 31 March 2020

3. Investments

	<u>As at 31 March 2020 Amount in Rupees</u>	<u>As at 31 March 2019 Amount in Rupees</u>
Non current investments (Unquoted, carried at cost)		
Investments in equity shares of subsidiaries		
CLX Europe S.P.A. (refer note 15)	1,181,400,155	1,181,400,155
eClerx Canada Limited (refer note 15)	2,588,440	2,588,440
	<u>1,183,988,595</u>	<u>1,183,988,595</u>
Total Non- Current Investments	<u>1,183,988,595</u>	<u>1,183,988,595</u>
Aggregate value of unquoted investments	1,183,988,595	1,183,988,595

Financial assets

	<u>As at 31 March 2020 Amount in Rupees</u>	<u>As at 31 March 2019 Amount in Rupees</u>
4. Cash and cash equivalents		
Balances with banks:		
In current accounts	34,772,808	214,187,102
Deposits with original maturity of less than three months	301,470,000	-
	<u>336,242,808</u>	<u>214,187,102</u>

5. Loans

	<u>As at 31 March 2020 Amount in Rupees</u>	<u>As at 31 March 2019 Amount in Rupees</u>
Non Current		
Loan to subsidiary - CLX Europe SPA	329,230,779	401,607,851
	<u>329,230,779</u>	<u>401,607,851</u>
Current		
Loan to subsidiary - eClerx Canada Limited	-	7,929,400
	<u>-</u>	<u>7,929,400</u>
	<u>329,230,779</u>	<u>409,537,251</u>

Loan to related parties

The loan granted to CLX Europe SPA is intended to support the working capital requirement of the subsidiaries. The loan is unsecured and repayable in full. The interest rate charged is 2%.

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

6. Other financial assets

	As at 31 March 2020 Amount in Rupees	As at 31 March 2019 Amount in Rupees
Current		
Other advances	412	28,192
	412	28,192

Break up of financial assets carried at amortised cost

	As at 31 March 2020 Amount in Rupees	As at 31 March 2019 Amount in Rupees
Cash and cash equivalents (refer note 4)	336,242,808	214,187,102
Loans (refer note 5)	329,230,779	409,537,251
Other financial assets (refer note 6)	412	28,192
Total financial assets carried at amortised cost	665,473,999	623,752,545

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

7. Share capital

Authorised share capital

	Amount in Rupees	
	As at 31 March 2020	As at 31 March 2019
Authorized share capital		
13,434,888 Optionally convertible and redeemable preference shares (31 March 2019: 13,434,888) of GBP 1 each	1,322,949,530	1,322,949,530
5,251,224 equity shares (31 March 2019: 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 2019: 13,434,888) of GBP 1 each	1,322,949,530	1,322,949,530
5,251,224 equity shares (31 March 2019: 5,251,224) of GBP 1 each	485,693,673	485,693,673
Total	1,808,643,203	1,808,643,203

Equity shares

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
eClerx Services Limited	5,251,224	100%	5,251,224	100%

8. Other equity

Retained earnings

	Amount in Rupees
As at 1 April 2018	26,072,148
Add: Profit / (Loss) during the year	(26,936,047)
As at 31 March 2019	(863,899)
Add: Profit / (Loss) during the year	41,829,379
As at 31 March 2020	40,965,480

Other reserves

	As at 31 March 2020	As at 31 March 2019
	Amount in Rupees	Amount in Rupees
Retained earnings	40,965,480	(863,899)
	40,965,480	(863,899)

9. Trade payables**9.a. Dues of Micro enterprises and small enterprises**

Amount due to vendor	-	-
Principal amount paid (includes unpaid) beyond appointed date	-	-
Interest due and payable for the year	-	-
Interest due and remaining unpaid	-	-

9.b. Dues of creditors other than Micro enterprises and small enterprises

Trade payables	-	6,678
Trade payables to related parties	-	-
	-	6,678

10. Other financial liabilities

Accrued expenses

Break up of financial liabilities at amortised cost

Other financial liabilities (refer note 10)	719,036	1,200,142
Trade payables (refer not 9.a. and 9.b.)	-	6,678
	719,036	1,206,820

eClerx Investments (UK) Limited
Notes to the financial statements for the year ended 31 March 2020

11. Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Statement of profit and loss:

Profit and loss section

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in Rupees	Amount in Rupees
Current Income tax:		
Current income tax charged	2,810,359	-
Adjustment in respect of current income tax of previous year	-	-
Deferred tax	(3,876,439)	-
Income tax expense reported in the statement of profit and loss	(1,066,080)	-

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for 31 March 2020 and 31 March 2019:

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in Rupees	Amount in Rupees
Profit / (Loss) before tax	40,763,299	(26,936,047)
Brought forward losses adjusted	(909,146)	-
Unutilised loss of FY 18-19, to be utilised for PY	(20,163,466)	-
Add: Adjustments on account of change in the functional currency of the Company	(25,301,636)	6,156,398
Accounting profit before income tax*	(5,610,949)	(20,779,649)
At United Kingdom's statutory income tax rate of 19% (31 March 2019: 19%)	(1,066,080)	-
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 -2.62% (31 March 2019: 19%)	(1,066,080)	-

* the GBP accounting profit is converted in equivalent INR for calculation

Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		Profit & Loss	
	As at 31 March 2020	As at 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in Rupees	Amount in Rupees	Amount in Rupees	Amount in Rupees
Losses available for offsetting against future taxable income	3,876,439	-	(3,876,439)	-
Deferred tax income			(3,876,439)	-
Net deferred tax assets	3,876,439	-		

Reflected in the balance sheet as follows:

	As at 31 March 2020	As at 31 March 2019
	Amount in Rupees	Amount in Rupees
Deferred tax assets	3,876,439	-
Deferred tax assets/(liabilities), net	3,876,439	-

Reconciliation of deferred tax assets (net):

	As at 31 March 2020	As at 31 March 2019
	Amount in Rupees	Amount in Rupees
Opening balance	-	-
Tax income/(expense) during the period recognised in profit and loss	(3,876,439)	-
Closing balance	(3,876,439)	-

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.

eClerx Investments (UK) Limited**Notes to the financial statements for the year ended 31 March 2020****12. Other income**

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in Rupees	Amount in Rupees
Interest income on loan	7,211,383	9,544,965
Interest on income tax refund	8,471	16,570
Gain on foreign exchange fluctuation (net)	46,291,692	-
	53,511,546	9,561,535

13. Employee benefit expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in Rupees	Amount in Rupees
Salaries, wages and bonus	7,847,094	8,244,682
Contribution To Provident Fund	438,930	-
	8,286,024	8,244,682

14. Other expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in Rupees	Amount in Rupees
Legal and professional charges	2,415,819	6,524,266
Bank charges	1,854,637	945,959
Auditor remuneration	188,522	171,685
Rates and Taxes	3,245	-
Loss on foreign exchange fluctuation (net)	-	20,610,990
	4,462,223	28,252,900

eClerx Investments (UK) Limited
Notes to the financial statements for the year ended 31 March 2020

15. Details of non - current investments

	As at 31 March		Currency	Face value	As at 31 March	
	2020	2019			2020	2019
	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 2020	31 March 2019
	Amount in Rupees	Amount in Rupees
Profit / (Loss) attributable to equity holders	41,829,379	(26,936,047)
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	5,251,224
Earnings per equity share (in Rs.)		
Basic	7.97	(5.13)
Diluted	2.24	(5.13)

eClerx Investments (UK) Limited**Notes to the financial statements for the year ended 31 March 2020****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)
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)

Key Management Personnel:

1. Anjan Malik (Director)
2. Baljit Phull (Director) (resigned w.e.f. 31 March 2020)

(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. CLX Europe S.P.A.
2. eClerx Limited
3. eClerx Canada 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

Transactions with Wholly owned subsidiaries / Step down subsidiaries:

Name	Nature of Transaction	Transactions during the year		Outstanding Balance as at	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
		Amount in Rupees	Amount in Rupees	Amount in Rupees	Amount in Rupees
CLX Europe SPA	Repayment of interest and loan	101,266,156	112,345,539	329,230,779 Receivable	401,607,851 Receivable
	Interest income	7,112,391	9,389,355		
eClerx Limited	Expenses incurred by fellow subsidiary on behalf of Company	434,620	56,528	-	-
eClerx Canada Limited	Loan granted by the Company	-	5,303,799	-	7,929,400 Receivable
	Repayment of interest and loan	8,138,563	-		
	Interest income	98,992	155,610		

eClerx Investments (UK) Limited
Notes to the financial statements for the year ended 31 March 2020

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 settlement occurs through banks.

Compensation of key management personnel of the Company

	31 March 2020	31 March 2019
	<u>Amount in Rupees</u>	<u>Amount in Rupees</u>
Anjan Malik		
Short-term employee benefits	7,460,522	7,338,592
Total compensation paid to key management personnel	7,460,522	7,338,592

The amounts disclosed in the table are the amounts of salary during the reporting period related to key management personnel.

eClerx Investments (UK) Limited

Notes to the financial statements for the year ended 31 March 2020

18. Segment Information

The Company operates under a single reportable segment as it is an investment Company and does not have any active operations.

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: 09 June 2020

Anjan Malik

Director

CLX EUROPE S.P.A.
Balance Sheet as at March 31, 2020

		Amount in EUR	
		As at	As at
		31 March 2020	31 March 2019
Balance Sheet - Assets			
A)	SUBSCRIBED CAPITAL UNPAID		
B)	FIXED ASSETS	21,584,492	22,869,395
I)	Intangible assets	9,943,092	11,090,843
1)	Start-up and expansion costs		
3)	Patent and intellectual property rights	78,482	76,664
4)	Concession, licenses, trademarks and similar rights	3,197	4,765
5)	Goodwill and consolidation difference	9,648,450	10,814,951
6)	Assets under construction and advances		
7)	Other	212,963	194,462
II)	Tangible assets	531,051	682,588
1)	Plant and machinery	476,165	610,658
2)	Industrial and commercial equipment	17,001	21,306
3)	Other tangible assets	37,886	50,623
III)	Financial assets	11,110,349	11,095,964
1)	Investments in	10,230,444	10,230,444
a)	- subsidiaries	10,230,444	10,230,444
b)	- related companies		
2)	Receivables	879,905	865,520
a)	- from subsidiaries after 12 months	874,653	860,268
b)	- from other companies	5,252	5,252
C)	CURRENT ASSETS	9,534,074	7,835,994
I)	Inventory	57,223	142,266
1)	Raw materials, ancillaries and consumables	23,103	30,537
2)	Work in progress of services	34,120	111,729
II)	Receivables	6,430,513	5,555,630
1)	Trade receivables falling due within 12 months	4,446,388	3,408,705
2)	Receivables from subsidiaries	1,149,947	1,727,694
3)	Receivables from parent companies due within 12 months	22,539	193,599
	Receivables from parent companies due after 12 months		
3-bis)	Receivables from the Treasury falling due within 12 months	564,898	9,181
	Receivables from the Treasury falling due after 12 months	136,880	136,880
3-ter)	Deferred tax falling due within 12 months	63,423	33,051
	Deferred tax falling due after 12 months		
4)	Other receivables falling due within 12 months	46,439	46,519
III)	Cash and bank	3,046,338	2,138,099
1)	Bank and postal deposits	3,040,964	2,134,083
2)	Cash on hand	5,374	4,015
D)	ACCRUED INCOME AND PREPAID EXPENSES	235,267	165,889
	TOTAL ASSETS	31,353,833	30,871,278

For and on behalf of the Board of Directors
of CLX Europe S.P.A.

PD Mundhra
Director

Scott Houchin
Director

Baljit Phull
Director

CLX EUROPE S.P.A.

Balance Sheet as at March 31, 2020

Balance Sheet - Stockholders' Equity and Liabilities		Amount in EUR	
		As at 31 March 2020	As at 31 March 2019
A)	SHAREHOLDERS' EQUITY	19,042,030	18,582,227
I)	Share capital	23,311,779	23,311,779
II)	Share premium reserve		
III)	Revaluation reserves		
IV)	Legal reserve	58,135	13,860
V)	Reserve for Treasury shares		
VI)	Other reserves	42,909	42,909
VII)	Retained earning	-4,953,724	-5,130,825
VIII)	Profit (loss) for the year	582,931	344,504
B)	PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS	65,620	53,421
C)	STAFF LEAVING INDEMNITY	1,222,202	1,340,617
D)	PAYABLES	10,996,006	10,858,804
1)	Shareholders Loan falling due after 12 months	3,962,715	5,166,124
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	420,940	50,168
4)	Trade payables falling due within 12 months	891,182	967,730
5)	Payables to subsidiaries falling due within 12 months	3,260,146	2,897,584
	Payables to subsidiaries falling due after 12 months	83,868	83,868
6)	Payables to parent companies falling within 12 months	353,337	192,660
7)	Tax payables falling due within 12 months	859,546	256,791
8)	Social security payables falling within 12 months	176,216	262,137
9)	Other payables falling due within 12 months	988,057	981,743
E)	ACCRUED EXPENSES AND DEFERRED INCOME	27,975	36,209
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		31,353,833	30,871,278

For and on behalf of the Board of Directors
of CLX Europe S.P.A.

PD Mundhra
Director

Scott Houchin
Director

Baljit Phull
Director

CLX EUROPE S.P.A.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Income Statement		Amount in EUR	
		Year ended 31 March 2020	Year ended 31 March 2019
A)	VALUE OF PRODUCTION	18,684,343	18,968,442
1)	Revenue from sales and services	18,528,622	18,754,878
2)	Change in inventory of work in progress, semi-finished and finished goods	-77,610	12,420
3)	Own work capitalized	143,943	116,754
4)	Other income	89,388	84,390
B)	COST OF PRODUCTION	-17,275,161	-18,024,669
5)	Cost of raw materials, consumables, spare parts and other goods	-186,411	-191,210
6)	Costs of services	-6,696,090	-7,707,879
7)	Costs of utilization of third parties' assets	-612,827	-751,764
8)	Personnel costs:	-7,792,603	-7,514,656
a)	<i>Salaries and wages</i>	-5,650,976	-5,471,662
b)	<i>Social contributions</i>	-1,741,657	-1,623,440
c)	<i>Employee severance indemnity</i>	-389,105	-407,845
d)	<i>Other costs</i>	-10,865	-11,709
9)	Depreciation and write-downs	-1,909,365	-1,799,597
a)	<i>Amortization of intangible assets</i>	-1,458,696	-1,474,485
b)	<i>Depreciation of tangible assets</i>	-284,220	-285,112
c)	<i>Other write-downs of assets</i>		
d)	<i>Write-downs of receivables included in current assets and cash</i>	-166,448	-40,000
10)	Change in stock of raw materials, consumables, spare parts and other goods	-7,434	-7,740
11)	Accruals for contingencies		
12)	Other operating charge	-70,433	-51,821
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	1,409,182	943,773
C)	FINANCIAL INCOME AND CHARGES	-129,217	7,551
13)	Other financial income	23,083	21,829
a)	<i>- intra group</i>	21,401	21,533
b)	<i>- Other</i>	1,682	296
14)	Interest and other financial charges	-97,439	-130,396
a)	<i>- interest from intra group</i>	-3,454	-4,208
b)	<i>- interest from parent companies</i>	-89,521	-116,661
c)	<i>- interest from others</i>	-4,464	-9,528
15)	Exchange Profit & Losses	-54,861	116,119
D)	ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS	-	-
16)	Write-down of equity investments	-	-
E)	EXTRAORDINARY INCOME AND EXPENSES	-	-
19)	Income		
20)	Charges		
	RESULT BEFORE TAX	1,279,965	951,324
21)	Income tax for the period	-697,034	-606,820
a)	<i>current tax</i>	-708,577	-606,820
b)	<i>deferred tax liabilities</i>	11,543	
c)	<i>anticipated tax assets</i>		
	PROFIT FOR THE YEAR	582,931	344,504

**For and on behalf of the Board of Directors
of CLX Europe S.P.A.**

PD Mundhra Director	Scott Houchin Director	Baljit Phull Director
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CLX Thai Co. Ltd
Balance Sheet as at March 31, 2020

		Amount in THB	
		As at	As at
Balance Sheet - Assets		31 March 2020	31 March 2019
A)	SUBSCRIBED CAPITAL UNPAID		
B)	FIXED ASSETS	26,193,417	24,145,674
I)	Intangible assets	162,254	77,512
1)	Start-up and expansion costs		
2)	Patent and intellectual property rights	162,254	77,512
3)	Concession, licenses, trademarks and similar rights		
4)	Goodwill and consolidation difference		
5)	Assets under construction and advances		
6)	Other		
II)	Tangible assets	21,865,840	19,992,228
1)	Land & Building	15,908,033	16,231,211
2)	Plant and machinery	4,462,179	2,721,149
3)	Industrial and commercial equipment	853,212	448,639
4)	Other tangible assets	642,417	591,230
III)	Financial assets	4,165,323	4,075,934
1)	Investments in		
a)	- subsidiaries		
b)	- related companies		
2)	Receivables	4,165,323	4,075,934
a)	- from subsidiaries after 12 months		
b)	Receivables from parent companies due after 12 months	3,373,588	3,373,609
c)	- from other companies	791,734	702,325
C)	CURRENT ASSETS	18,009,578	18,004,743
I)	Inventory	235,952	174,597
1)	Raw materials, ancillaries and consumables	235,952	174,597
2)	Work in progress of services		
II)	Receivables	14,270,487	13,030,197
1)	Trade receivables falling due within 12 months		
2)	Receivables from subsidiaries		
3)	Receivables from parent companies due within 12 months	14,058,015	12,838,577
	Receivables from parent companies due after 12 months		
3-bis)	Receivables from the Treasury falling due within 12 months		
	Receivables from the Treasury falling due after 12 months		
3-ter)	Deferred tax falling due within 12 months	205,472	189,620
	Deferred tax falling due after 12 months		
4)	Other receivables falling due within 12 months	7,000	2,000
IV)	Cash and bank	3,503,139	4,799,949
1)	Bank and postal deposits	3,499,986	4,784,510
2)	Cash on hand	3,153	15,439
D)	ACCRUED INCOME AND PREPAID EXPENSES	611,628	601,262
	TOTAL ASSETS	44,814,622	42,751,679

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, 2020

		Amount in THB	
		As at	As at
Balance Sheet - Stockholders' Equity and Liabilities		31 March 2020	31 March 2019
A)	SHAREHOLDERS' EQUITY	5,760,118	5,865,015
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	-134,984	-464,259
VIII)	Profit (loss) for the year	-104,898	329,274
B)	PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS	4,476,056	3,872,917
C)	STAFF LEAVING INDEMNITY		
D)	PAYABLES	34,578,449	33,013,747
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	1,647,546	835,279
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	31,854,102	31,085,272
7)	Tax payables falling due within 12 months	312,687	266,489
8)	Social security payables falling within 12 months	152,290	262,642
9)	Other payables falling due within 12 months	611,824	564,065
E)	ACCRUED EXPENSES AND DEFERRED INCOME		
	TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	44,814,622	42,751,679

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, 2020

Income Statement		Amount in THB	
		Year ended 31 March 2020	Year ended 31 March 2019
A)	VALUE OF PRODUCTION	79,003,642	78,797,232
1)	Revenue from sales and services	78,957,359	78,667,802
2)	Change in inventory of work in progress, semi-finished and finished goods		
3)	Own work capitalized		
4)	Other income	46,284	129,430
B)	COST OF PRODUCTION	-78,599,173	-77,059,649
5)	Cost of raw materials, consumables, spare parts and other goods	-357,062	-357,873
6)	Costs of services	-11,134,815	-11,371,305
7)	Costs of utilization of third parties' assets	-2,087,828	-2,265,067
8)	Personnel costs:	-62,579,664	-60,780,691
a)	<i>Salaries and wages</i>	-54,821,262	-53,669,889
b)	<i>Social contributions</i>	-3,101,052	-3,240,520
c)	<i>Employee severance indemnity</i>	-3,190,407	-1,183,475
d)	<i>Other costs</i>	-1,466,942	-2,686,807
9)	Depreciation and write-downs	-2,267,694	-2,085,854
a)	<i>Amortization of intangible assets</i>	-48,457	-65,169
b)	<i>Depreciation of tangible assets</i>	-2,219,237	-2,020,685
c)	<i>Other write-downs of assets</i>		
d)	<i>Write-downs of receivables included in current assets and cash</i>		
10)	Change in stock of raw materials, consumables, spare parts and other goods		
11)	Accruals for contingencies		
12)	Other operating charge	-172,110	-198,861
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	404,470	1,737,583
C)	FINANCIAL INCOME AND CHARGES	-231,671	-1,210,051
13)	Other financial income	122,172	120,124
a)	<i>- intra group</i>		
b)	<i>- Other</i>	122,172	120,124
14)	Interest and other financial charges	-768,831	-767,251
a)	<i>- interest from intra group</i>		
b)	<i>- interest from parent companies</i>	-768,831	-767,251
c)	<i>- interest from others</i>		
14-bis)	Exchange Profit & Losses	414,988	-562,924
D)	ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS	-	-
15)	Write-down <i>of equity investments</i>		
E)	EXTRAORDINARY INCOME AND EXPENSES	-	-
16)	Income		-
17)	Charges		
	RESULT BEFORE TAX	172,799	527,532
18)	Income tax for the period	-277,697	-198,257
a)	<i>current tax</i>	-277,697	-198,257
b)	<i>deferred tax liabilities</i>		
c)	<i>anticipated tax assets</i>		
	PROFIT FOR THE YEAR	-104,898	329,274

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, 2020

Balance Sheet - Assets		Amount in EUR	
		As at 31 March 2020	As at 31 March 2019
A)	SUBSCRIBED CAPITAL UNPAID		
B)	FIXED ASSETS	40,443	15,060
I)	Intangible assets	9,656	3,974
1)	Start-up and expansion costs		
2)	Patent and intellectual property rights	9,040	791
3)	Concession, licenses, trademarks and similar rights		
4)	Goodwill and consolidation difference		
5)	Assets under construction and advances		
6)	Other	616	3,183
II)	Tangible assets	30,784	11,083
1)	Plant and machinery	30,323	9,947
2)	Industrial and commercial equipment		
3)	Other tangible assets	461	1,136
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		
a)	- from subsidiaries after 12 months		
b)	- from other companies		
C)	CURRENT ASSETS	3,334,006	3,009,522
I)	Inventory	2,753	5,771
1)	Raw materials, ancillaries and consumables	2,753	5,771
2)	Work in progress of services		
II)	Receivables	3,221,767	2,827,078
1)	Trade receivables falling due within 12 months	202,212	181,596
2)	Receivables from subsidiaries		
3)	Receivables from parent companies due within 12 months	2,981,261	2,613,132
	Receivables from parent companies due after 12 months		
3-bis)	Receivables from the Treasury falling due within 12 months	38,294	32,350
	Receivables from the Treasury falling due after 12 months		
3-ter)	Deferred tax falling due within 12 months		
	Deferred tax falling due after 12 months		
4)	Other receivables falling due within 12 months		
IV)	Cash and bank	109,486	176,673
1)	Bank and postal deposits	106,459	175,525
2)	Cash on hand	3,027	1,148
D)	ACCRUED INCOME AND PREPAID EXPENSES	12,167	10,776
	TOTAL ASSETS	3,386,616	3,035,358

For and on behalf of the Board of Directors
of CLX Eurpore Media Solution GmbH

Stefano Ferrari
Director

CLX EUROPE MEDIA SOLUTION GMBH
BALANCE SHEET AS AT MARCH 31, 2020

Balance Sheet - Stockholders' Equity and Liabilities		Amount in EUR	
		As at 31 March 2020	As at 31 March 2019
A)	SHAREHOLDERS' EQUITY	3,039,736	2,697,178
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	6	4
VII)	Retained earning	2,185,881	2,022,823
VIII)	Profit (loss) for the year	342,557	163,059
B)	PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS		
C)	STAFF LEAVING INDEMNITY		
D)	PAYABLES	346,880	338,180
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	35,667	24,192
5)	Payables to subsidiaries falling due within 12 months		
	Payables to subsidiaries falling due after 12 months		
6)	Payables to parent companies falling within 12 months	93,676	80,402
7)	Tax payables falling due within 12 months	119,458	160,258
8)	Social security payables falling within 12 months		
9)	Other payables falling due within 12 months	98,079	73,328
E)	ACCRUED EXPENSES AND DEFERRED INCOME		
	TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES	3,386,616	3,035,358

**For and on behalf of the Board of Directors
of CLX Eurpore Media Solution GmbH**

Stefano Ferrari
Director

CLX EUROPE MEDIA SOLUTION GMBH
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Income Statement		Amount in EUR	
		Year ended 31 March 2020	Year ended 31 March 2019
A)	VALUE OF PRODUCTION	2,466,943	2,231,632
1)	Revenue from sales and services	2,466,837	2,227,771
2)	Change in inventory of work in progress, semi-finished and finished goods		
3)	Own work capitalized		
4)	Other income	106	3,861
B)	COST OF PRODUCTION	-1,959,118	-1,984,980
5)	Cost of raw materials, consumables, spare parts and other goods	-13,377	-12,928
6)	Costs of services	-1,239,378	-1,210,030
7)	Costs of utilization of third parties' assets	-56,791	-59,876
8)	Personnel costs:	-629,577	-683,973
a)	<i>Salaries and wages</i>	-493,298	-552,402
b)	<i>Social contributions</i>	-136,279	-131,571
c)	<i>Employee severance indemnity</i>		
d)	<i>Other costs</i>		
9)	Depreciation and write-downs	-12,264	-16,753
a)	<i>Amortization of intangible assets</i>	-3,587	-8,747
b)	<i>Depreciation of tangible assets</i>	-8,377	-8,006
c)	<i>Other write-downs of assets</i>		
d)	<i>Write-downs of receivables included in current assets and cash</i>	-300	
10)	Change in stock of raw materials, consumables, spare parts and other goods	-3,017	2,287
11)	Accruals for contingencies		
12)	Other operating charge	-4,714	-3,707
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	507,825	246,652
C)	FINANCIAL INCOME AND CHARGES	3,454	4,208
13)	Other financial income	3,454	
a)	- <i>intra group</i>	3,454	
b)	- <i>Other</i>		
14)	Interest and other financial charges	-	4,208
a)	- <i>interest from intra group</i>		
b)	- <i>interest from parent companies</i>		4,208
c)	- <i>interest from others</i>		
14-bis)	Exchange Profit & Losses		
D)	ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS	-	-
15)	Write-down <i>of equity investments</i>		
E)	EXTRAORDINARY INCOME AND EXPENSES	-	-
16)	Income		
17)	Charges		
	RESULT BEFORE TAX	511,279	250,860
18)	Income tax for the period	-168,722	-87,801
a)	<i>current tax</i>	-168,722	-87,801
b)	<i>deferred tax liabilities</i>		
c)	<i>anticipated tax assets</i>		
	PROFIT FOR THE YEAR	342,557	163,059

For and on behalf of the Board of Directors
of CLX Eurpore Media Solution GmbH

Stefano Ferrari
Director

CLX Europe Media Solution Limited
Balance Sheet as at March 31, 2020

Balance Sheet - Assets		Amount in GBP	
		As at 31 March 2020	As at 31 March 2019
A)	SUBSCRIBED CAPITAL UNPAID		
B)	FIXED ASSETS	6,055	11,670
I)	Intangible assets	2,198	4,599
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	2,198	4,599
II)	Tangible assets	3,857	7,071
1)	Plant and machinery		
2)	Industrial and commercial equipment		
3)	Other tangible assets	3,857	7,071
III)	Financial assets	-	-
1)	Investments in	-	-
a)	- subsidiaries		
b)	- related companies		
2)	Receivables		
a)	- from subsidiaries after 12 months		
b)	- from other companies		
C)	CURRENT ASSETS	2,086,578	2,442,918
I)	Inventory	3,645	44,294
1)	Raw materials, ancillaries and consumables	3,645	4,294
2)	Work in progress of services		40,000
II)	Receivables	1,011,887	957,450
1)	Trade receivables falling due within 12 months	1,009,768	957,450
2)	Receivables from subsidiaries		
3)	Receivables from parent companies due within 12 months		
	Receivables from parent companies due after 12 months		
3-bis)	Receivables from the Treasury falling due within 12 months		
	Receivables from the Treasury falling due after 12 months		
3-ter)	Deferred tax falling due within 12 months		
	Deferred tax falling due after 12 months		
4)	Other receivables falling due within 12 months	2,119	
IV)	Cash and bank	1,071,046	1,441,174
1)	Bank and postal deposits	1,070,844	1,440,972
2)	Cash on hand	202	202
D)	ACCRUED INCOME AND PREPAID EXPENSES	23	26,665
	TOTAL ASSETS	2,092,656	2,481,253

For and on behalf of the Board of Directors
of CLX Europe Media Solution Limited

Anjan Malik
Director

CLX Europe Media Solution Limited
Balance Sheet as at March 31, 2020

		Amount in GBP	
		As at 31 March 2020	As at 31 March 2019
Balance Sheet - Stockholders' Equity and Liabilities			
A)	SHAREHOLDERS' EQUITY	856,869	824,566
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	824,564	874,777
VIII)	Profit (loss) for the year	32,303	-50,214
B)	PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS	-5,116	401
C)	STAFF LEAVING INDEMNITY		
D)	PAYABLES	1,240,903	1,650,135
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	126,483	49,213
5)	Payables to subsidiaries falling due within 12 months		
	Payables to subsidiaries falling due after 12 months		
6)	Payables to parent companies falling within 12 months	888,955	1,454,555
7)	Tax payables falling due within 12 months	200,465	145,195
8)	Social security payables falling within 12 months		1,172
9)	Other payables falling due within 12 months	25,000	
E)	ACCRUED EXPENSES AND DEFERRED INCOME		6,152
TOTAL STOCKHOLDERS' EQUITY AND LIABILITIES		2,092,656	2,481,253

For and on behalf of the Board of Directors
of CLX Europe Media Solution Limited

Anjan Malik
Director

CLX Europe Media Solution Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Income Statement		Amount in GBP	
		Year ended 31 March 2020	Year ended 31 March 2019
A)	VALUE OF PRODUCTION	4,247,309	4,078,094
1)	Revenue from sales and services	4,287,309	3,989,149
2)	Change in inventory of work in progress, semi-finished and finished goods	-40,000	40,000
3)	Own work capitalized		
4)	Other income		48,945
B)	COST OF PRODUCTION	-4,224,000	-4,095,457
5)	Cost of raw materials, consumables, spare parts and other goods		
6)	Costs of services	-3,545,298	-3,471,682
7)	Costs of utilization of third parties' assets	-67,205	-49,790
8)	Personnel costs:	-603,722	-557,711
a)	<i>Salaries and wages</i>	-525,145	-489,442
b)	<i>Social contributions</i>	-78,577	-68,269
c)	<i>Employee severance indemnity</i>		
d)	<i>Other costs</i>		
9)	Depreciation and write-downs	-6,597	-12,768
a)	<i>Amortization of intangible assets</i>	-2,401	-5,922
b)	<i>Depreciation of tangible assets</i>	-4,196	-6,846
c)	<i>Other write-downs of assets</i>		
d)	<i>Write-downs of receivables included in current assets and cash</i>		
10)	Change in stock of raw materials, consumables, spare parts and other goods	-649	-2,883
11)	Accruals for contingencies		
12)	Other operating charge	-530	-624
	DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	23,309	-17,363
C)	FINANCIAL INCOME AND CHARGES	3,477	-32,851
13)	Other financial income	1,234	633
a)	<i>- intra group</i>		
b)	<i>- Other</i>	1,234	633
14)	Interest and other financial charges	-426	-34,742
a)	<i>- interest from intra group</i>		
b)	<i>- interest from parent companies</i>		
c)	<i>- interest from others</i>	-426	-34,742
14-bis)	Exchange Profit & Losses	2,670	1,258
D)	ADJUSTMENTS TO THE VALUE OF FINANCIAL OPERATIONS	-	-
15)	Write-down <i>of equity investments</i>		
E)	EXTRAORDINARY INCOME AND EXPENSES	-	-
16)	Income		
17)	Charges		
	RESULT BEFORE TAX	26,785	-50,214
18)	Income tax for the period	5,517	-
a)	<i>current tax</i>		
b)	<i>deferred tax liabilities</i>	5,517	
c)	<i>anticipated tax assets</i>		
	PROFIT FOR THE YEAR	32,303	-50,214

For and on behalf of the Board of Directors
of CLX Europe Media Solution Limited

Anjan Malik
Director

	Notes	As at 31 March 2020 Amount in CAD	As at 31 March 2019 Amount in CAD
Assets			
Non-current assets			
Deferred tax assets (net)	18	1,034	9,781
		1,034	9,781
Current assets			
Financial assets			
Trade receivables	3	94,293	159,670
Cash and cash equivalents	4	19,934	60,008
Other financial assets	5	1,679	6,720
		115,906	226,398
Total assets		116,940	236,179
Equity and liabilities			
Equity			
Equity share capital	6	50,000	50,000
Other equity	7	15,652	(24,970)
Total equity		65,652	25,030
Non - current liabilities			
Employee Benefit Obligations	12	6,001	-
		6,001	-
Current liabilities			
Financial liabilities			
Borrowings	8	-	152,695
Trade payables	9	-	-
Total outstanding dues of Micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises		5,955	26,693
Other financial liabilities	10	18,595	5,469
Other current liabilities	11	7,438	5,952
Employee benefit obligations	12	8,130	20,340
Current tax liabilities	18	5,169	-
		45,287	211,149
Total equity and liabilities		116,940	236,179
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: 09 June 2020

Anjan Malik
Director

eClerx Canada Limited

Statement of Profit and Loss for the year ended 31 March 2020

		For the year ended 31 March 2020	For the year ended 31 March 2019
	Notes	Amount in CAD	Amount in CAD
Revenue from operations	13	430,269	408,670
Other income	14	328	5,172
Total income		430,597	413,842
Expenses			
Employee benefits expense	15	292,293	292,827
Cost of technical sub-contractors		49,661	32,641
Finance costs	16	1,853	2,946
Other expenses	17	32,252	45,630
Total expenses		376,059	374,044
Profit before tax		54,538	39,798
Tax expense			
Current tax	18	5,169	-
Deferred tax	18	8,747	(9,781)
Income tax expense		13,916	(9,781)
Profit for the year		40,622	49,579
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period, net of tax		40,622	49,579
Earnings per equity share (in CAD)			
Basic (Face value of CAD 1 each)	19	0.81	0.99
Diluted (Face value of CAD 1 each)	19	0.81	0.99

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: 09 June 2020

Anjan Malik

Director

eClerx Canada Limited**Statement of cash flows for the year ended 31 March 2020**

		For the year ended 31 March 2020	For the year ended 31 March 2019
	Notes	Amount in CAD	Amount in CAD
Operating activities			
Profit before tax		54,538	39,798
(Gain) / loss on foreign exchange fluctuation (net)	14	(328)	(5,172)
Cash used in operating activities		54,210	34,626
Interest on intercompany loan	16	1,853	2,946
		56,063	37,572
Working capital changes			
Decrease / (Increase) in trade receivables		65,377	(143,454)
(Decrease) / Increase in employee benefit obligations		(6,209)	14,478
Decrease in other financial assets and other assets		5,041	8,119
(Decrease) / Increase in trade payables, other current and non current liabilities and financial liabilities		(6,126)	19,931
Net cash flows generated / (used) in operating activities		114,146	(63,354)
Financing activities			
Loan availed from Holding Company		-	105,883
Loan repaid from Holding Company		(152,367)	-
Interest on inter-company loan		(1,853)	(2,946)
Net cash flows (used) / generated from financing activities		(154,220)	102,937
Net (decrease) / increase in cash and cash equivalents		(40,074)	39,583
Cash and cash equivalents at the beginning of the period	4	60,008	20,425
Cash and cash equivalents at year end	4	19,934	60,008
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: 09 June 2020

Anjan Malik

Director

eClerx Canada Limited**Statement of changes in equity for the year ended 31 March 2020****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 1 April 2018	50,000	50,000
As at 31 March 2019	50,000	50,000
As at 31 March 2020	50,000	50,000

b. Other equity**For the year ended 31 March 2020**

Amount in CAD

Particulars	Retained earnings	Total other equity
As at 1 April 2019	(24,970)	(24,970)
Profit for the year	40,622	40,622
As at 31 March 2020	15,652	15,652

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)

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: 09 June 2020

Anjan Malik

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") specified under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These financial statements have been prepared on the request of eClerx Services Limited, the Holding Company to comply with the financial reporting requirements in India.

As the Company is not domiciled in India and hence not registered under the Act, these financial statements have not been prepared to fully comply with the Act, and so they do not reflect all disclosure requirements of the Act.

The financial statements have been prepared on historical cost basis.

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

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 recognized in the statement of profit or loss.

b. Revenue recognition

Ind AS 115 Revenue from Contracts with Customers

Revenue recognition:

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

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

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 statement of profit and loss.

eClerx Canada Limited
Notes to the financial statements for the year ended 31 March 2020

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.

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments:

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The amendment is effective from 1 April 2019. The Company has evaluated the effect of Ind AS 12 amendment on the financial statements and concluded that there is no impact on retained earnings.

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.

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.

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a 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 plan 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.

2. C. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables and unbilled revenue. In assessing the recoverability of these assets, the Company has used internal and external sources of information up to the date of approval of these financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to monitor any material impact due to changes in future economic conditions.

eClerx Canada Limited
Notes to the financial statements for the year ended 31 March 2020
Financial assets
3. Trade receivables

Trade receivables

Receivables from other related parties

Considered good - Secured

Considered good - Unsecured

Trade receivables which have significant increase in credit risk

Trade receivables - credit impaired

Less: Loss allowance

As at 31 March 2020	As at 31 March 2019
Amount in CAD	Amount in CAD
-	6,870
94,293	152,800
94,293	159,670
-	-
94,293	159,670
-	-
-	-
94,293	159,670
-	-
94,293	159,670

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

Balances with banks

In current accounts

As at 31 March 2020	As at 31 March 2019
Amount in CAD	Amount in CAD
19,934	60,008
19,934	60,008

5. Other financial assets

Unbilled receivables

Other Advances

As at 31 March 2020	As at 31 March 2019
Amount in CAD	Amount in CAD
993	6,720
686	-
1,679	6,720

Break up of financial assets carried at amortised cost

Trade receivables (refer note 3)

Cash and cash equivalents (refer note 4)

Other financial assets (refer note 5)

Total financial assets carried at amortised cost

As at 31 March 2020	As at 31 March 2019
Amount in CAD	Amount in CAD
94,293	159,670
19,934	60,008
1,679	6,720
115,906	226,398

6. Share capital
Authorized share capital

50,000 equity shares of CAD 1 each

As at 31 March 2020	As at 31 March 2019
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

eClerx Investments (UK) Limited

As at 31 March 2020		As at 31 March 2019	
Number of shares	% Holding	Number of shares	% Holding
50,000	100%	50,000	100%

eClerx Canada Limited
Notes to the financial statements for the year ended 31 March 2020

7. Other equity

Retained earnings

	Amount in CAD
As at 1 April 2018	(74,549)
Add: Profit during the year	49,579
As at 31 March 2019	(24,970)
Add: Profit during the year	40,622
As at 31 March 2020	15,652

Other reserves

	As at 31 March 2020	As at 31 March 2019
	Amount in CAD	Amount in CAD
Retained earnings	15,652	(24,970)
	15,652	(24,970)

8. Borrowings

Current

eClerx Investments (UK) Limited* (unsecured)		152,695
	-	152,695
	-	152,695

* This refers to working capital loan carrying interest of 2% p.a. with the maturity date of 31 March 2020. The loan was repaid in the financial year ending 31 March 2020.

9. Trade Payables

9.a. Dues of Micro enterprises and small enterprises

	As at 31 March 2020	As at 31 March 2019
	Amount in CAD	Amount in CAD
Amount due to vendor	-	-
Principal amount paid (includes unpaid) beyond appointed date	-	-
Interest due and payable for the year	-	-
Interest due and remaining unpaid	-	-

9.b. Dues of creditors other than Micro enterprises and small enterprises

Trade payables	-	45
Trade payables to related parties	5,955	26,648
	5,955	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 20.
- For explanations on the Company's credit risk management processes, refer note 22.
- Trade payables are measured at amortised cost.

eClerx Canada Limited
Notes to the financial statements for the year ended 31 March 2020

10. Other financial liabilities

Accrued expenses

As at	As at
31 March 2020	31 March 2019
Amount in CAD	Amount in CAD
18,595	5,469
18,595	5,469

Break up of financial liabilities at amortised cost

Borrowings (refer note 8)

Other financial liabilities (refer note 10)

Trade payables (refer note 9.a and 9.b)

-	152,695
18,595	5,469
5,955	26,693
24,550	184,857

11. Other current liabilities

Taxes and other liabilities

As at	As at
31 March 2020	31 March 2019
Amount in CAD	Amount in CAD
7,438	5,952
7,438	5,952

12. Employee benefit obligations

Non-current

Incentive to employees

As at	As at
31 March 2020	31 March 2019
Amount in CAD	Amount in CAD
6,001	-
6,001	-

Current

Incentive to employees

8,130	20,340
8,130	20,340
14,131	20,340

eClerx Canada Limited

Notes to the financial statements for the year ended 31 March 2020

13. Revenue from operations

Sale of services

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
430,269	408,670
430,269	408,670

Revenue consists of the following:

Revenue from Sales & marketing, Consulting and ITeS services
Revenue from software development, licensing of software products & related services

Total revenue from operations

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
430,269	408,670
-	-
430,269	408,670

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.

Revenues by Geography

North America

Asia Pacific

Total

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
68,413	44,370
361,856	364,300
430,269	408,670

Revenues by contract type

Time & Materials

Fixed Price

Total

430,269	408,670
-	-
430,269	408,670

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

Revenue as per contracted price

Reductions towards variable consideration components*

Revenue from contract with customers

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
430,269	408,670
-	-
430,269	408,670

* The reduction towards variable components comprises of volume discounts.

During the year ended 31 March 2020, the company recognised no revenue from opening unearned revenue as of 1 April 2019. During the year ended 31 March 2019, the Company recognised revenue of Nil arising from opening unearned revenue as on 1 April 2018.

During the year ended 31 March 2020 and 31 March 2019, there is no revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods.

As at 31 March 2020 and 31 March 2019, the Company does not have assets recognised from the cost incurred to obtain or fulfil a contract with a customer.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be 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.

b. where the performance obligation is a 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 March 31, 2020, other than those meeting the exclusion criteria mentioned above, is Nil (31 March 2019: 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.

14. Other Income

Gain on foreign exchange fluctuation (net)

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
328	5,172
328	5,172

15. Employee benefit expense

Salaries, wages and bonus

Contribution to provident fund

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
283,842	282,971
8,451	9,856
292,293	292,827

16. Finance costs

Interest on intercompany loan

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
1,853	2,946
1,853	2,946

17. Other expenses

Legal and professional fees

Travelling expense

Bank charges

Communication expense

Office expenses

Rates and taxes

Subscription & Membership Fees

Business promotion

For the year ended 31 March 2020	For the year ended 31 March 2019
Amount in CAD	Amount in CAD
12,956	20,129
11,718	21,875
1,948	1,849
5,476	1,601
(47)	115
-	31
156	-
45	30
32,252	45,630

18. Income taxes

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Statement of profit and loss:

Profit and loss section

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in CAD	Amount in CAD
Current Income tax:		
Current income tax charged	5,169	-
Deferred tax	8,747	(9,781)
Income tax expense reported in the statement of profit or loss	13,916	(9,781)

Reconciliation of tax expense and the accounting profit multiplied by Canada's domestic tax rate for 31 March 2020 and 31 March 2019

	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount in CAD	Amount in CAD
Accounting profit before income tax	54,538	39,798
At statutory income tax rate of 26.5% (31 March 2019: 26.5%)	14,453	10,546
Adjustments in respect of current income tax of previous years	-	-
Non-deductible expenses for tax purposes	(537)	(20,327)
Income tax expense / (credit) reported in the statement of profit and loss	13,916	(9,781)
at the effective income tax rate of 25.52% (31 March 2019: -24.58%)		

Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		Profit & Loss	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
	Amount in CAD	Amount in CAD	Amount in CAD	Amount in CAD
Expenses available for offsetting against future taxable income	1,034	9,781	8,747	(9,781)
Deferred tax expense/(income)			8,747	(9,781)
Net deferred tax assets	1,034	9,781		

Reflected in the balance sheet as follows:

	As at 31 March 2020	As at 31 March 2019
	Amount in CAD	Amount in CAD
Deferred tax assets	1,034	9,781
Deferred tax assets, net	1,034	9,781

Reconciliation of deferred tax assets (net):

	As at 31 March 2020	As at 31 March 2019
	Amount in CAD	Amount in CAD
Opening balance	9,781	-
Tax income/(expense) during the period recognised in profit and loss	(8,747)	9,781
Closing balance	1,034	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.

19. 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 2020	31 March 2019
	Amount in CAD	Amount in CAD
Profit attributable to equity holders	40,622	49,579
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	0.81	0.99
Diluted	0.81	0.99

20. 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)

Key Management Personnel:

1. Anjan Malik (Director)
2. Joseph A. Menard (Director) (resigned w.e.f. 4 December 2019)

(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:

1. eClerx Services Limited (Ultimate Holding Company)
2. eClerx Investments (UK) Limited (Holding Company)
3. eClerx LLC (Fellow Subsidiary)

B. Details of Related Party 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 2020	31 March 2019	31 March 2020	31 March 2019
		Amount in CAD	Amount in CAD	Amount in CAD	Amount in CAD
eClerx Services Limited	Income from operations	361,856	364,300	94,293 Receivable	152,800 Receivable
eClerx Investments UK Limited	Loan availed from Holding Company including accrued interest	1,853	105,883	-	152,695 Payable
	Loan repaid to Holding Company including accrued interest	154,220	-		
eClerx LLC	Expenses incurred by fellow subsidiary on behalf of Company	48,025	28,532	5,955 Payable	26,648 Payable
	Expenses incurred by Company on behalf of fellow subsidiary	-	2,260	-	-

21. 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:

Revenue from customers

Canada
Asia Pacific

Total Revenue

For the year ended	
31 March 2020	31 March 2019
Amount in CAD	Amount in CAD
68,413	44,370
361,856	364,300
430,269	408,670

The Company has two customers with revenue greater than 10% of the total Company's revenue totalling to CAD 430,269 for the year ended 31 March 2020 and two customer with revenue greater than 10% of the total Company's revenue totalling to CAD 408,670 for the year ended 31 March 2019.

22. 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.

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

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

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

Financial instruments and 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 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.

eClerx Canada Limited**Notes to the financial statements for the year ended 31 March 2020**

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
As at 31 March 2020				
Other financial liabilities	-	18,595	-	-
Trade and other payables	-	5,955	-	-
	-	24,550	-	-

	Amount in CAD			
	On demand	Less than 3 months	3 to 12 months	> 1 years
As at 31 March 2019				
Other financial liabilities	-	5,469	-	-
Trade and other payables	-	26,693	-	-
	-	32,162	-	-

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.

23. 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 2020 and 31 March 2019.

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: 09 June 2020

Anjan Malik

Director

ECLERX EMPLOYEE WELFARE TRUST
BALANCE SHEET AS AT 31 MARCH 2020

			Amount in INR
	Notes	As at 31 March 2020	As at 31 March 2019
Equity and liabilities			
Equity			
Share capital	1	1,000	1,000
Other equity	2	(142,071,207)	(105,610,479)
Total Equity		(142,070,207)	(105,609,479)
Non-current liabilities:			
Financial liabilities			
Borrowings	3	1,221,700,746	1,292,297,184
		1,221,700,746	1,292,297,184
Current liabilities:			
Financial liabilities			
Trade payables	4	489,006	4,154,819
		489,006	4,154,819
Total		1,080,119,545	1,190,842,524
Assets			
Current Assets:			
Financial assets			
Investments	5	1,080,093,255	1,185,362,204
Cash and Bank Balances	6	26,290	5,480,320
		1,080,119,545	1,190,842,524
Total		1,080,119,545	1,190,842,524

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 31 MARCH 2020

			Amount in INR
	Notes	Year ended 31 March 2020	Year ended 31 March 2019
INCOME			
Other Income	7	6,549,664	1,475,733
		6,549,664	1,475,733
EXPENDITURE			
Other expenses	8	845,323	3,514,596
Finance Costs	9	42,115,069	69,814,921
Profit before Taxes		(36,410,728)	(71,853,785)
Provision for Taxation		-	-
Current Income tax		-	-
Profit after tax		(36,410,728)	(71,853,785)

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 31 MARCH 2020

	As at 31 March 2020	Amount in INR As at 31 March 2019
1 CAPITAL		
Corpus	1,000	1,000
	1,000	1,000
2 RESERVES AND SURPLUS		
Balance brought forward from previous year	(105,660,479)	(33,806,695)
Profit and Loss Account	(36,410,728)	(71,853,785)
	(142,071,207)	(105,660,479)
3 BORROWINGS		
Loan from eClerx Services Limited	1,200,000,000	1,200,000,000
Interest accrued on Loan from eClerx Services Limited	21,700,746	92,297,184
	1,221,700,746	1,292,297,184
4 TRADE PAYABLES		
Management Fees Payable	359,368	1,052,689
TDS Payable	21,638	3,102,130
Audit Fee Payable	108,000	-
	489,006	4,154,819
5 INVESTMENTS		
Equity Shares		
eClerx Services Limited	1,078,351,740	1,130,117,672
Mutual Funds		
Birla Sun Life Cash Plus – Direct - Daily Dividend Reinvestment Option	1,741,514	55,244,533
	1,080,093,255	1,185,362,204
6 CASH AND BANK BALANCES		
Balance with scheduled banks	26,290	5,480,320
	26,290	5,480,320

ECLERX EMPLOYEE WELFARE TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31 March 2020	Amount in INR Year ended 31 March 2019
7 OTHER INCOME		
Dividend on mutual fund	1,646,982	790,673
Dividend on equity	883,605	685,060
Gain/Loss on Equity	4,019,077	-
	6,549,664	1,475,733
8 GENERAL AND ADMINISTRATIVE EXPENSES		
Trust management fees	760,548	3,463,334
Interest on Late Payment of TDS	225	1,262
Depository Charges	16,550	-
Audit Fee @ 50,000 per annum	68,000	50,000
	845,323	3,514,596
9 FINANCE COSTS		
Interest on Loan	42,115,069	69,814,921
	42,115,069	69,814,921