



TRANSCRIPT OF 20TH ANNUAL GENERAL MEETING OF ECLERX SERVICES LIMITED HELD ON TUESDAY, SEPTEMBER 29, 2020 THROUGH VIDEO CONFERENCING

Mr. Pratik Bhanushali:

Good afternoon shareholders. This is Pratik Bhanushali, the Company Secretary of eClerx Services Limited. Welcome you all to the 20th Annual General Meeting of the Company. Due to COVID-19 pandemic, this Annual General Meeting is being held through Video Conferencing without the physical presence of shareholders, in accordance with the circulars and notifications issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. I now request Mr. Pradeep Kapoor, Chairman of the Board and Independent Director of the Company to commence the proceedings of the 20th Annual General Meeting of the Company, with an information to him that the requisite quorum for the meeting is present. Thank you. Over to you Sir.

Mr. Pradeep Kapoor:

Good afternoon shareholders, I welcome you all to the 20th Annual General Meeting of the Company. I hope all of you are safe and in good health. As the requisite quorum in terms of Companies Act, 2013 is present, I now call this meeting to order. May I now request my fellow Board Members who are attending this meeting virtually from their respective locations to introduce themselves. Mr. Alok Goyal can start with other Board Members to follow.

Mr. Alok Goyal:

Good afternoon shareholders, this is Alok Goyal and I serve as Non-Executive Independent Director on the Board of the Company. I am attending this AGM through Video Conferencing from my home in Bangalore. Thank you.

Mr. Anish Ghoshal:

Good afternoon shareholders, this is Anish Ghoshal, Non-Executive Independent Director of the Company. I am attending this AGM through Video Conferencing from my residence in Pune. Thank you.

Mr. Anjan Malik:

Hi this is Anjan Malik. I am a Non-Independent Director of eClerx Services Limited, attending this AGM from my residence in London.

Moderator:

Mr. Biren Gabhawala has not shared his video. So I am putting Ms. Deepa Kapoor.

Ms. Deepa Kapoor:

Welcome shareholders, this is Deepa Kapoor. I am also a Non-Executive Independent Board member of eClerx and I am also Chairman of CSR Committee of Board and I am attending this meeting from my home in New Delhi, India.



Mr. PD Mundhra:

Good afternoon shareholders, I am PD Mundhra and I serve as Executive Director on the Board of the Company. I am attending this AGM through Video Conferencing from my residence in Mumbai. Thank you.

Mr. Shailesh Kekre:

Good afternoon everyone. This is Shailesh Kekre. I am an Independent Director on the Board of eClerx. I am attending this meeting by Video Conferencing from my residence in Bangalore.

Mr. Pradeep Kapoor:

Thank you Board Members for introducing yourselves. Joining from the eClerx's corporate office at Mumbai, are Mr. Rohitash Gupta, Chief Financial Officer and Mr. Pratik Bhanushali, Company Secretary. Representatives of S.R. Batliboi & Associates, Statutory Auditors and Mehta & Mehta, Secretarial Auditors are also attending this meeting through Video Conference.

Since there is no physical attendance at this AGM, the requirement of appointing proxies is not applicable.

In terms of the applicable provisions of the Companies Act 2013 read with Rules framed thereunder, the Register of Directors' and Key Managerial Personnel and their shareholding, Register of contract with related parties are available to Members for online inspection throughout this meeting.

The Statutory Auditors Certificate under SEBI (Share Based Employee Benefits) Regulations, 2014 and other documents and records, as are required to be kept open for inspection during the AGM, are also available during the continuance of the meeting.

I would like to apprise the members that Chairman/Authorised Committee members are present in respect of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

The Company has taken all feasible efforts under the current circumstances to enable Members to participate through Video Conferencing and vote at the AGM. I thank all the Members, colleagues on the Board, auditors and all others for joining this meeting.

As the Notice of the AGM and the Annual Report which includes Chairman's speech has already been circulated to the Members electronically, I will take the Notice convening the AGM, Chairman's speech, Directors' Report and the Financials, as read. Since there are no qualifications in the Statutory Auditor's Report and Secretarial Audit Report, the Auditor's Report and Secretarial Audit Report are not required to be read.



In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, your Company had provided the facility to its Members holding shares in physical and demat form as on the cut-off date being 17th September 2020, to exercise their right to vote by electronic means i.e. Remote e-voting, on all of the issues specified in the Notice of the 20th AGM dated 12th August, 2020. The Company had engaged the services of KFin Technologies Private Limited for facilitating Remote e-voting for AGM.

The facility for casting vote through Remote e-voting was made available from Thursday, 24th September, 2020 from 9:00 a.m. IST to Monday, 28th September, 2020 till 5:00 p.m. IST. Members who have not voted earlier through Remote e-voting can cast their vote electronically at the AGM using Instapoll facility, for which the Company has engaged the services of KFin Technologies Private Limited. If a Member has already voted through Remote e-voting, then Member should not cast his/her vote again through Instapoll. Such a vote would be considered as invalid. The Instapoll facility for voting at the AGM will remain open for 15 minutes after the voting is announced.

The Board of Directors has appointed Ms. Ashwini Inamdar of Mehta & Mehta, Company Secretaries as the Scrutinizer to scrutinize the Remote e-voting process and the voting at the AGM (through Instapoll process) in a fair and transparent manner as stipulated under Section 108 of Companies Act 2013 read with Companies (Management & Administration) Rules, 2014. The Scrutinizer has confirmed that all the applicable requirements of the said Section and the Rules, have been complied with.

At the end of the Remote e-voting period, the facility was blocked. After the conclusion of voting at the AGM through Instapoll, the votes cast through Instapoll at the meeting will be first downloaded by the Scrutinizer and thereafter the Scrutinizer will unblock the votes cast through Remote e voting.

Since the AGM is being held through Video Conferencing and the resolutions mentioned in the Notice have already been put to vote through Remote e-voting, there will be no proposing and seconding of the resolutions.

I would now like to invite Members who have registered to speak to express their views or comments on the annual performance and raise queries, if any, and request the moderator to please call out the names one by one. Over to the moderator.

Moderator:

Thank You Sir. The first speaker who was registered is Mrs. Lekha Satish Shah. If you are present, please unmute yourself and start speaking. We are not getting any signal from her. The next speaker is Mr. Dinesh Amruthlal Kotecha. Please unmute yourself and start speaking Sir.

Speaker 1: Dinesh Amruthlal Kotecha:

Sir, Good afternoon to all of you. I am very happy that this meeting has been kept in the second half because in the early morning, there were 41 meetings before 11 o'clock - 11:30. Sir, 41 AGMs! And you had kept at 12:30 so I could attend your meeting. So first of all, I congratulate you for the first year first



quarter results also, because the first quarter results are also very good as compared to your last quarter results, which you had declared for Q4.

I would like to know that, amongst our global fortune companies to which we give our critical business services, any new company has been added in this first quarter or first 5 months? And can you give me, pyramid of the top 5 global businesses, what is the business that we get from them?

Also in our data analytics, we are No.1 in that. But again, in data analytics, what is the future growth? I mean, it is tremendous, of course. And are we going to bring in robotics? I mean, are we going to do anything in the field of robotics? I would like to know that Sir.

Also, Buybacks which we have made now, keep it as a continuous process, because that helps small shareholders, instead of depending on the market, if you do a Buyback, we get a good release from the company. This is like a helping hand from the company and is a good investor friendly measure that you take by doing Buyback sir.

Also the profit margin in the first quarter has been the highest in the last six or eight quarters. Will this be maintained? The margins I am talking about, the operating and net profit margins. Can you give some direction for what can happen in the next nine months? Sir, again, I wish you all the best because one thing is very clear, your top management, nobody has left. You are the same team who has been working for the last two, three years, the same team has the gelling. And because of the gelling, I am very happy that you are united in all the difficulties and the challenges that you're facing. And I really congratulate you for your strength which you give to the company, the entire management team, you are dedicated to the task. You know what you do and you do what you know, I'm very proud of the company and I'm going to remain a shareholder. I'm not going to do a single share buyback anytime you do Sir. Thank you very much.

Moderator:

Thank you Mr. Dinesh. We now call the next speaker, Mr. Ravikumar Naredi. We are not getting any response from him. Next speaker is Mr. Kirti Shah. We are not getting any response.

The last speaker is Mr. Aspi Bamanshaw Bhesania. Please unmute yourself and ask the question Sir.

Speaker 1: Dinesh Amrutlal Kotecha:

Sir, can I request one more thing I wanted the physical balance sheet, if available. Please, if you can send me by speed post.

Speaker 2: Aspi Bhesania:

Okay, Chairman Sir, Directors and Shareholders, good afternoon. My name is Aspi Bhesania. I've been attending your physical AGM almost every year. But every time I asked you to keep the meeting early and every time you keep on the last day of September. Sir please hold the meeting slightly early so many shareholders can attend and ask you questions. Here, there is no time to even go through the annual



report. There were at least 30 meetings today and it's difficult to attend many meetings.

Quarterly results were almost flat as compared to March quarter and even annual results are almost flat. So what is the problem? Do you see any growth anywhere? What sort of roadmap can we expect for the next two years? Or what growth can we expect for the next two years? Thank you and all the best. Please hold the meeting early.

Moderator:

Thank you. Chairman Sir, over to you.

Pradeep Kapoor:

We will now ask Mr. PD Mundhra to please respond to the various questions.

PD Mundhra:

Thank you, Mr. Chairman. So I will just go through the questions in the sequence in which they were asked. The first one was whether we have acquired any new clients in the last five months and I am pleased to say, we have, although of course, sales activity with new clients is somewhat affected by COVID restrictions and the inability of our sales people to meet with clients face to face. But with some accounts where conversations that already reached advanced stages before the COVID restrictions, we were indeed able to close those deals in the last five months. So there has been activity.

Our top five clients continue to contribute between 50% - 60% of revenues for us, which is of course a very substantial proportion. But to put it into perspective, that same number was about 87% when he went public in 2007. So it has steadily come down over the years and that is an endeavour to increase diversification.

Analytics continues to be a growth opportunity for us. And we are trying to apply it across all of our businesses and on Robotics in particular, I think the aspect that is most relevant for us is RPA (Robotics Process Automation), where we have built our own tools as well as our partners to industry leading platforms to implement them for our clients.

We have been regularly doing Buybacks for the last four or five years. As you may know, there is a SEBI set of rules that governs Buybacks and as part of those rules, companies are required to maintain a 12 month gap between two successive Buybacks. So unfortunately, it cannot be a continuous process in that sense. But we keep looking at all opportunities for us to return cash back to shareholders and take other measures that are investor friendly.

On the last question, around the outlook, both for revenues and margins that came from Mr. Kotecha and Mr. Bhesania, I would say that Q1 was hopefully our drop in terms of revenue because of the over disruptions, we do expect to see some improvement in revenues in Q2 and as we go forward in the year. The exact pace of that recovery is still uncertain, but definitely, we should see an increase in revenues from Q2 and beyond. On margins, I think everything has a silver lining. So in the COVID situation, the silver



lining for us is that many of our costs, including on items like travel, conveyance, housekeeping, etc., we have been able to reduce costs on, and that has a short term boost to margins. In the longer term, I think we need to see how many of these savings are sustainable and what the mix continues to be of people working from home vs. working from the office, but our endeavour continues to be to run as tight to ship as we can operationally and protect the margins of the company as much as possible. I believe that addresses all the questions. I'll hand back to you Mr. Chairman Sir.

Pradeep Kapoor:

Thank you, Mr. Mundhra, for giving your response to the various questions that had been asked. I go now to the next item on the agenda.

I now request the Members who have not voted on the resolutions through Remote e-voting, to cast their votes through Instapoll and the said facility will be kept open for next 15 minutes. In case of any assistance required with respect to Instapoll facility, Members may contact officials of KFin Technologies Private Limited on the contact numbers given in the Notice of the AGM.

I now declare this meeting as concluded, subject to voting on all the businesses by way of Instapoll.

The consolidated results of Remote e voting and Instapoll will be declared by person authorised in this behalf. The result along with the Scrutinizer's report will be forwarded to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed and will also be uploaded on the website of the Company.

Shareholders, thank you once again for your valuable time for attending this AGM and I look forward to see you all next year. Thank you. Good bye.