



**TRANSCRIPT OF 21st ANNUAL GENERAL MEETING OF ECLERX SERVICES LIMITED HELD ON WEDNESDAY,
SEPTEMBER 29, 2021 THROUGH VIDEO CONFERENCING**

Mr. Pratik Bhanushali:

Good afternoon shareholders. I, Pratik Bhanushali, the Company Secretary of eClerx Services Limited welcome you all to the 21st Annual General Meeting of the Company. Due to COVID-19 pandemic and ongoing restrictions, this Annual General Meeting is being held through Video Conferencing without the physical presence of the members for the second consecutive year, in accordance with the circulars and notification 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, who is attending this meeting through Video Conferencing from Pune to commence the proceedings of the 21st AGM of the Company, with an information to him that the requisite quorum for the meeting is present. Over to you sir.

Mr. Pradeep Kapoor:

Thank you. Good afternoon, dear shareholders. I welcome you all to the 21st Annual General Meeting of the Company. I hope all of you are safe and in good health. On behalf of the Board, I would like to express gratitude for all the support from stakeholders during these times. As the requisite quorum in terms of Companies Act, 2013 is present, I 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 to please start with other Board members to follow.

Mr. Alok Goyal:

Hi, this is Alok Goyal and I'm joining this meeting from Bangalore, my home. Nice to meet you all.

Mr. Pradeep Kapoor:

Anish

Mr. Anish Ghoshal: Hi, this is Anish Ghoshal. I'm attending this meeting from my house in Pune.

Mr. Pradeep Kapoor:

Anjan

Mr. Anjan Malik: Hi, this is Anjan Malik. I'm attending this meeting from London.

Mr. Pradeep Kapoor:

Biren

Mr. Biren Gabhawala: Hi, this is Biren Gabhawala. I'm attending this meeting from my office in Mumbai. Thank you.

Mr. Pradeep Kapoor:

Deepa

Ms. Deepa Kapoor: Good afternoon everyone. I'm Deepa Kapoor. I'm attending this AGM through video conferencing from Delhi.

Mr. Pradeep Kapoor:

PD

Mr. Priyadarshan Mundhra: Hi, this is PD Mundhra and I am attending this AGM from my residence in Mumbai.

Mr. Pradeep Kapoor:

Shailesh

Mr. Shailesh Kekre: Good afternoon shareholders. This is Shailesh Kekre. I'm attending this AGM from my residence in Bangalore.

Mr. Pradeep Kapoor:

Srinjay

Mr. Srinjay Sengupta: Hello, this is Srinjay. I'm attending this meeting from my residence in Surrey in England.

Mr. Pradeep Kapoor:

Thank you Board members for introducing yourselves. We also have with us Mr. Rohitash Gupta, Chief Financial Officer attending from Mumbai and Mr. Pratik Bhanushali, Company Secretary attending from eClerx corporate office at Mumbai. Representatives of SR 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 and Regulations thereafter, 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 the 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 speech has already been circulated to the members electronically, I will take the Notice convening the AGM, Chairman 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 and Administration Rules) 2014, your Company had provided the facility to its members holding shares in physical and demat form as on the cutoff date being 16th September 2021, to exercise the right to vote by electronic means, that is remote e-voting on all the businesses specified in the Notice of the 21st AGM dated 13th August 2021.

The Company had engaged the services of KFin Technologies Private Limited for facilitating remote e-voting for AGM. Individual shareholders with holding in demat form were required to cast votes through their respective depository participants, as detailed in the said notice of the AGM. For non-individual shareholders and shareholders holding securities in physical form, voting was allowed through e-voting website of KFin Technologies Private Limited. The facility for casting vote through remote e-voting was made available from Friday, 24th September, 2021 from 9.00 am (IST) to Tuesday, 28th September 2021 till 5.00 pm (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 cast his or her vote, through remote e-voting, then member should not cast his or 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 Ashwini Inamdar of Mehta & Mehta, Practicing 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 and 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 call out the names one by one. Moderator over to you.

Moderator:

Thank you, sir. Our first speaker of the day is Mr. Hariram Chaudhary. I request the speaker to unmute your audio, switch on your camera and proceed with your question. Mr. Hariram Chaudhary hasn't logged in sir. And we move on to next speaker, Mr. Dinesh Amrutlal Kotecha, Mr. Kotecha, I request you to unmute your audio, switch on your camera and proceed with your speech sir.

Mr. Dinesh Kotecha:

One second sir. Give me a second please. There's heavy rains in our area, so please give me a second. Unmute my video also please.

Moderator: Done sir. You can turn on your camera.

Mr. Dinesh Kotecha:

Yeah, I have turned it. Sir, Good morning to all of you.

Mr. Pradeep Kapoor: Good morning.

Mr. Dinesh Kotecha: First of all, actually, good afternoon not good morning. First of all sir, I'm very happy with the results. Only thing is sir, that we have been having a turnover of nearly 1,197 crores in the current year. Now seeing your first quarter trend, 343 crores. Can we safely estimate that our internal turnover projection, I mean should it be planned to be 1,500 crores? That is my first question. You can say yes or no, I'd be happy about it sir. Sir, secondly I'd also like to know basically, what is next now, you've already announced one buyback again. Next buyback you have announced at 2,850, just a couple of days ago. And our price is quoted at 2,200. Sir, what I think our market cap of 7,679 does not justify the performance and the growth prospects that our Company has. We should have a market cap of not less than 20,000 crores. I hope you agree with me. Sir, PE ratio is around 28-29% is also very low for our Company. Because sir, the growth potential that we have got and your team that you have got, I would like to know what is the basic turnover in the core team of the Company? Any major turnover in the basic core team? Also, how do you look at opportunities now in the new audience say, I just forgot the name. I forgot Sorry, I was tired. I was a little bit tired because of heavy rain and no light since this morning. I was very tired in the morning. Okay. How do you see the Company going forward now sir? I would like the Company to split the shares to one rupee. If you split it to one rupee and then if the same price remains of 2,200, then we will also get 10 times the value. Give a thought to this because our equity is 34.89 crores now and with a buyback the equity would be around 32 crore, so, again this split will be very helpful to the minority shareholders. Other than this, I'd also like to know the covid effect, the work from home. Now are we doing still work from home or partially from office, some people are coming? Is it a mixed trend or is it a work from home, people are coming to the offices now to work. And how will be it in future and what is the total covid expenses that the Company has incurred in the last two years? Last year, in the first five months. The first five months is giving a very positive highlight to us that we are having good sales, good margins. Margins have also improved 36-37% operating margin. And I hope that we maintain this 36-35%, within the range of 35% to 40% range and the net profit margin that we are attaining right now should also be improved. Other than this sir, I would wish you all the best and see that all the senior Directors in the Company including you, take care of your health because your wisdom is required for the growth of the Company sir. And the youngsters must be trained and the outlook of the Company in spite of and despite of problems, we must progress and that particular message must pass to the entire management team and the workers and the staff. Thank you very much and wish you all the best.

Mr. Pradeep Kapoor:

Thank you.

Moderator: Thank you sir. Now we move on to our next speaker, Mr. Rajesh Kewalram Chainani. Mr. Chainani, I request you to turn on your audio, switch on your camera and speak sir. It seems that Mr. Rajesh has not joined. Now we call out our next speaker, Mr. Aspi Bamashaw Bhesania. Mr. Bhesania, I request you to unmute your audio, switch on your camera and proceed with your question sir.

Mr. Aspi Bamashaw Bhesania:

First you switch on my camera. I'm not able to do it.

Moderator:

You can do it sir. It is available.

Mr. Aspi Bamashaw Bhesania: Yeah, now it's allowing. Yes. Sir, can you see me and hear me?

Moderator:

Yes, sir. We can see you and hear you as well.

Mr. Aspi Bamashaw Bhesania:

Sir, I congratulate the management on good results, but please do not hold the AGM on second last day of September. You know the physical meetings that we had were always on second or third last day of September. So please hold the meeting early. Today there are so many meetings going on at the same time. And sir, again the Company Secretary is requested to inform the speaker number to the shareholders. He doesn't expect me to sit from beginning till the end of the meeting. Chairman sir, you are not well. Take care of your health. We are concerned. Sir, quarter ended June 21 income increased by 14 crore rupees, but PBT reduced by 7 crore rupees. Which margin is likely to be sustained, for the quarter ended June 21 or March 21? Sir, what is the roadmap for the next two years? Sir, thank you and all the best.

Moderator:

Thank you, sir. Sir, now we move on to our last speaker, Mr. Dinesh Gopaldas Bhatia. Mr. Bhatia, I request you to unmute your audio and turn on your camera and speak sir. Looks Mr. Bhatia has not joined. With that all the shareholders who have registered to speak and currently available to speak, are given an opportunity to speak. I now hand it over back to the Boardroom.

Chairman:

PD, may I request you to kindly respond to the various questions and points which have been raised.

Mr. Priyadarshan Mundhra:

Yes, Mr. Chairman. So, good morning and good afternoon again. and thank you to the shareholders for your inputs and comments and questions. You know, the notes I took indicate that the questions were in three or four broad categories. The first one was around revenue and margin outlook for the Company, both compared to last quarter and last year. So as we shared in our investor calls, after our Q1 results, I think, IT industry as a whole and including us, are enjoying a period of relatively strong demand. So the growth numbers for this year versus last year, have been stronger than they have been in the prior two, three years and we hope that, that will sustain in coming quarters. As you all might know, we don't really give a guidance as a matter of policy, but at least the demand environment seems resilient and strong and I think we should also be able to maintain margin levels around the same level where they are right now in the absence of any large moves in currency or shifts in the business. So for now, I would say that as a management team, we feel reasonably happy with the trajectory of the business.

There was a set of questions also around sort of market dynamics, market cap, PE ratios, share splits, and so on. So all I would say is, as a management team, we are focused on delivering strong performance and financial results for the Company and then stock price fluctuation and valuations are really not something that we have any influence or control over, but all we can do is try and make sure that the Company remains in a strong position and that investors understand what the strategy of the company is and what areas we are focusing on. We have also noted the suggestion of the split and we will certainly give it due consideration.

There was another question about turnover and attrition and I'm happy to say that we are fortunate to have a long tenured and pretty stable management team. If I look at the top 30-40 executives in the Company, most of them have been around for 10 plus years. and that is certainly a source of great strength and continuity to the organization. Of course, we are seeing an elevated attrition levels in the more junior staff of the organization , but that's the function of industry dynamics and how strong the demand environment has been for the industry as a whole.

There was also one last question about Covid and we are still continuing to work largely from home. About 10-15% of our staff is now working from office. We anticipate that, that number will pick up over the coming weeks and quarters as our vaccination progresses. Almost 90% of our staff has got at least one dose of the vaccine and about 45-50% have got both doses. We expect that we will be at 80% plus coverage in a month or two and when that happens, obviously, you know we have more opportunities to call more people back to the office as maybe appropriate. But for now, we are largely continuing to work, in a work from home mode. I believe that addresses all the comments and questions that were raised. I'll hand it back to you, Mr. Chairman.

Mr. Pradeep Kapoor:

Thank you, Mr. Mudhra. I'll come to the next business matter. 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 the 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 number given in the Notice of AGM. I declare the meeting as concluded subject to voting on all the business by way of Instapoll. The consolidated results of remote e-voting and Instapoll will be declared by person authorised in this behalf. The results along with the scrutinizers 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. Thank you all for your valuable time for attending this meeting. Goodbye and see you all next time. Bye bye. God bless you.