



eClerx

ANNUAL REPORT
2019-20

A DATA ANALYTICS AND PROCESS
MANAGEMENT COMPANY
www.eClerx.com

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Disclaimer: This Annual Report contains forward-looking information to enable investors to comprehend the Company's prospects and make informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

eClerx is a registered trade mark of eClerx Services Limited.

WHO WE ARE

ECLERX IS ONE OF INDIA'S LEADING **PROCESS MANAGEMENT AND DATA ANALYTICS COMPANIES**



eClerx provides critical business operations services to over fifty global Fortune 500 clients, including some of the world's leading companies across financial services, cable & telecom, retail, fashion, media & entertainment, manufacturing, travel & leisure, software and high-tech.

Incorporated in 2000, eClerx was the first Knowledge Process Outsourcing firm to get listed and is today traded on recognised Stock exchanges of India, which are BSE and NSE. eClerx employs more than 8,500 people across its global sites in the US, UK, India, Italy, Germany, Singapore, Thailand.

SERVICES



Offices in the US, UK, India, Europe & Singapore



8,500+ Analysts, Project Managers, Specialists, and Consultants Across the Globe



50+ Fortune 500 Companies Served Globally



\$201MM in Revenue across Financial Markets, Digital, and Customer Operations



OUR VALUES



Values define our organisation; they are our guiding principles. eClerx stands for EPIC—Excellence, People, Integrity & Client.



Excellence

Be passionate and commit to doing your best.

Excellence is a journey – we achieve our goals by constantly improving, innovating and applying the highest standards.



People

Invest in people and bring out the best in them.

We care deeply about our people – we encourage learning, promote growth and celebrate diversity.



Integrity

Maintain the highest standards of ethics, integrity and fairness.

We are thoughtful, honest and empathetic in our interactions with clients, vendors, shareholders and each other.



Client

Make clients the focus of what you do.

Our clients' success is our goal – everything we do keeps their best interest at the forefront.

Our core values are instrumental to our work culture. They are an inherent part of the organisation's decision-making process and a driving force to create a real sense of community across all our offices. Our focus on excellence, our people, maintaining the highest standards of integrity, and client-centricity makes eClerx a long-lasting, successful, and motivating place to work.

CUSTOMER OPERATIONS

eClerx Customer Operations specialises in providing operational expertise and process excellence throughout the customer journey. We create solutions and services, utilising a blend of technology and domain knowledge that support our clients' evolving needs. Our suite of offerings enhances the customer experience by providing quality monitoring/insights, advanced analytics, automation, superior technical operations support, and digital care services. We assist companies in developing, implementing, and operating multichannel customer interaction capabilities – transforming everyday touch-points into a superior customer experience.

Operations Support | Technology Solutions | Data Analytics and Reporting | Customer Experience | Consulting Services

DIGITAL

eClerx Digital is the trusted partner of choice to the world's largest global brands for creative production, eCommerce/web operations, and analytics & insights services. We improve profitability for their digital businesses. Our team of 3000+ full-time digital delivery employees at our five production hubs in Mumbai, Pune, Chandigarh, Verona, and Phuket apply deep digital expertise to effectively support the most demanding global clients utilising a follow the sun delivery model. eClerx Digital's innovative delivery model drives the "metrics that matter" for our clients: improved acquisition, conversion and retention, and overall lifetime value of your customer 24x7x365.

Data Management | Analytics & Insights | Digital Marketing Operations | Creative Services

FINANCIAL MARKETS

For financial organisations across the world, eClerx Markets offers consulting, technological innovation, and process management expertise to uniquely solve operational challenges. With nearly two decades of industry experience complemented by the application of smart automation and robotics, our team of experts delivers holistic solutions across the trade lifecycle, change management, settlements and clearing, asset servicing, data and analytics, as well as the client lifecycle.

Derivative Trade Support | Cash Securities Operations | Regulatory Compliance and Data | Document Management | Analytics | Technology Products

2020

eClerx Recognised as a
Finalist at the GSA UK 2019 Awards

Won the
CII's National Competition on Lean

Winner of the
CYPHER Data Science award for 'AI in Travel and Tourism' category

2019

eClerx was named the
Winner of two Stevie® Awards in the sixth annual Asia-Pacific Stevie® Awards

eClerx Services Ltd.
Received Prestigious 2019 CSO50 Award

eClerx Customer Operations Awarded
Two 2019 CRM Excellence Awards

eClerx Recognised With
Two Brandon Hall Awards

eClerx Won the
Prestigious NASSCOM Customer Excellence Award for RPA Implementation

2018

Won the
2018 Brandon Hall group excellence awards in learning and development

eClerx's 'eVigilPRO' recieved the
Prestigious 2018 cso50 award

Won the 2018
Golden peacock awards, 2018 for Quality

eClerx's Chatbot Solution Won
Prestigious nasscom award for it excellence

2017

Won the
Netapp innovation awards, 2017

eVigilPRO was recognised by
DataQuest Vertical Warrior award 2017

eClerx won Bronze at ASQ's (American Society for Quality)
SATEA (south asia team excellence award)

eClerx emerged runner-up in the
Process improvement category of the Qualtech prize 2017, organised by Qimpro

OUR LOCATIONS



REGISTERED OFFICE

eClerx Services Limited
CIN: L72200MH2000PLC125319
Sonawala Building, 1st Floor
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Mumbai – 400 023
Maharashtra, India

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Website: www.eClerx.com

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Germany

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Fax: +49 (0)40 5247040-8

Italy

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Italy
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Fax: +39 045 8294 944

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Phone: +39 02 36 567 195
Fax: +39 02 36 569 007

Singapore

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Gateway East
Singapore 189721
Phone: +65 (0) 6225 2988

Thailand

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Moo Chalongs, Sub-District Muang
Phuket
Thailand
Phone: +66 76 380653

India

Building # 11, 4th, 5th & 6th Floor, and
Unit No. 702 on 7th Floor,
K Raheja Mindspace, Plot #3, TTC
Industrial Area, Thane Belapur Road,
Airoli, Navi Mumbai – 400 708
Maharashtra, India
Phone: +91 (022) 4183 2777
Fax: +91 (022) 4194 3292

Building #14, 4th & 5th Floor,
K Raheja Mindspace, Plot #3,
TTC Industrial Area, Thane Belapur Road,
Airoli, Navi Mumbai – 400 708
Maharashtra, India
Phone: +91 (022) 6114 1555
Fax : +91 (022) 6114 1333
+91 (022) 4183 1333

Block 1, LG, 1st, 2nd, 3rd Floor Wing A &
4th floor Wing A & B,
Quadron Business Park,
Rajiv Gandhi Infotech Park,
Hinjewadi Phase 2
Pune–411 057
Maharashtra, India
Phone: +91 (020) 4027 7990
Fax: +91 (020) 6676 4480

1st and 2nd Floor, Towers A & B,
DLF Info City Developer,
Rajiv Gandhi Chandigarh Technology Park,
Kishangarh,
Chandigarh–160 101,
India
Phone: +91 (172) 663 3600
Fax: +91 (172) 663 3623

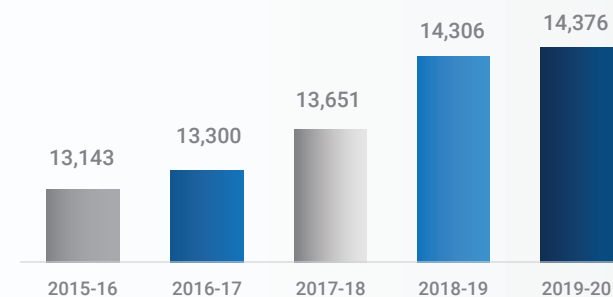
FINANCIAL HIGHLIGHTS

PARTICULARS

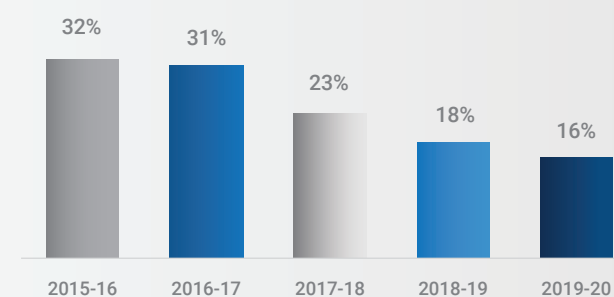
(Rupees in Million)

	2019-20	2018-19	2017-18	2016-17	2015-16
Income From Operations	14,375.71	14,305.93	13,650.62	13,300.33	13,143.16
Other Income	467.05	485.92	402.31	282.00	369.46
Earnings Before Interest, Depreciation, Taxes And Amortisation	3,702.24	3,562.05	4,065.45	4,876.54	5,168.19
Tax Expenses	715.47	831.73	895.80	819.03	1,184.97
Profit After Tax	2,089.72	2,283.01	2,899.42	3,539.30	3,417.43
Equity Share Capital	361.00	377.90	381.41	397.10	407.89
Reserves	12,707.26	13,440.93	11,671.40	11,760.87	10,525.38

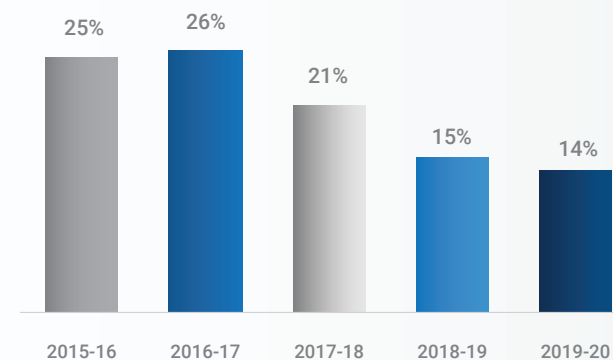
OPERATING REVENUE
(RUPEES IN MILLION)



OPERATING MARGIN
(%)



NET PROFIT AFTER TAX
(%)



FIXED ASSETS
(RUPEES IN MILLION)



CHAIRMAN'S MESSAGE

Year in Review

FY 2020 revenues were almost identical to 2019 at USD 200.5 million with profitability ten percent lower due to the absence of SEIS benefits and a general increase in operating expenses. Performance showed improving trends until Q4, when growth was interrupted by the unwelcome introduction of Covid-19 into our societies, economies and ultimately financial statements. This effect, felt most in Q4, meant that overall new sales for the firm were down in aggregate whilst contracted roll-offs increased over the prior year.

There were notable achievements during the course of the year in spite of this challenging backdrop. Our top ten client concentration decreased further, we saw incremental additions in clients accruing between \$500k and \$5mm in annual revenue, and growth continued to skew towards our emerging clients. Each of our businesses showed resilience, and featured growth stories. eClerxMarkets tripled a client leveraging its data and compliance managed service and saw strong growth across two clients for onshore and offshore hybrid services. CustomerOperations substantially grew a new customer in field operations services across both onshore and offshore, won a new client for offshore chat and added to its service suite inbound calling in India. eClerxDigital implemented its largest global analytics program at a lifestyle brand, more than tripled its footprint for RPA services at a large enterprise technology client, and added a new \$1mm logo in the creative space, all areas of secular growth. Overall, growth outside our top 10 clients proved robust at over 10% and the average size of these clients increased. We also saw improved pricing in FY20 across our portfolio – a testament to the value of our services to the marketplace.

Productising Services

We remain convinced that our focused approach to high domain services embedding onshore delivery, analytics and technology remains key to differentiation, relevance, stickiness, and long-term value for eClerx. So FY20 saw us redouble efforts towards productized services - managed service programs wrapping our automation tools and analytics in areas of competence where we service multiple clients. This drove growth across derivative operations, client lifecycle, agreement management in financial markets, dispatch support, truck roll avoidance and omni-channel contact support in customer operations and across creative, data management and customer analytics in digital services. In the year, this also meant greater overall automation and analytics revenue - together now almost 20% of firm revenue – and I am happy to report that today greater than a third of our over \$1mm clients buy meaningful amounts of such services from us.

Onshore delivery continued to experience growth at a fast pace. Onshore consulting grew, capping three-year growth at just under sixty percent compounded. Our Fayetteville centre in North Carolina continued to add resources, and reached happy milestones in the year – EBITDA breakeven for the full fiscal year and net income positive in Q4. This speaks volumes for our execution focus and quality in these relatively new geographies.

The firm's response to COVID-19

Perhaps nothing captures the essence of your firm better than its agile response and performance during the ongoing Covid crisis. With

employee wellbeing and business continuity top of mind, we were early in canvassing clients to permission Work From Home (WFH) – a new delivery model for us - and in procuring and delivering over 7,000 laptops and data cards to employee homes. Therefore, when the lockdown arrived across Italy, India, Thailand and the USA in quick succession, we continued to show up in force for our clients, ensuring that we met deadlines and deliverables. Successfully converting a firm of 8,500 employees to WFH, in the context of client constraints, movement restrictions, equipment shortages and compressed timelines, speaks to our people and their commitment to client more than words can ever do. As I write this, we are entering our fourth month of delivery in this model, and our focus remains firmly on delivery quality, resilience and risk mitigation.

Our people functions

The firm invested heavily in people functions through the year. We increased hiring at premier colleges in India to help grow advanced automation, data science and analytics capabilities within the firm, and started an onshore analytics junior hiring and training initiative in the US to help drive scaling. We streamlined candidate outreach, assessment, and on-boarding to accelerate new-hire assimilation. Across the firm, we saw a one-third increase in the number of colleagues upskilled across new techniques such as artificial intelligence, machine learning, robotics process automation and data science, and continued to add to management training and development programs. We also broadened our rewards and recognition programs to account for the firm's diverse skill requirements and implemented a number of initiatives to improve employee engagement. As a result, our annual employee satisfaction survey saw enhanced participation and steadily improving results. Overall employee retention improved across the firm, most notably within our cohort of high performing and experienced employees.

Our focus on efficiency and cost optimisation continued. We implemented processes and technologies targeting better cost reporting and management across payroll, infrastructure, third party services and travel and expenses. Our particular focus was onshore where we consolidated and automated support functions for outside India locations. Travel costs notably reduced over the year, but Covid-related WFH home equipment and logistics costs partially offset reduced travel costs. These initiatives helped preserve margin, adjusting for SEIS, in spite of wage inflation. We will of course evaluate our office and facility plans in light of WFH acceptance of clients, and this may provide further cost saving opportunities in the future.

Capital Efficiency

Our traditional business prudence and governance standards proved once again beneficial. We exited the year with over USD 100mm in cash and cash like instruments - at a time of great uncertainty, this balance sheet strength provided clients, our management teams and our employees' confidence in the firm. Most notably, our financial strength helped us continue as "normal", without layoffs and redundancies, even as we saw some fall in revenue entering FY21.

We continue our tradition of returning excess capital to shareholders this year as in the past and expect this to take the form of dividends and buybacks. The business environment is also likely to create increase M&A deal flow and hence to provide enhanced opportunities to deploy capital towards business accretive acquisitions.

Corporate Responsibility

In keeping with our responsibility to the environment, our local communities and societies, last year we launched energy savings initiatives such as motion sensing LED lighting, energy efficient climate control, and reduced computing hardware. We added to that this year by discontinuing single and multi-use plastics, moving to 100% recycled paper, reducing non-potable water usage, installing energy efficient power back-ups and helping install solar panel power systems at some of our Corporate Social Responsibility partner projects. We further leveraged technologies aimed at the paperless office, and digitised invoice and expense submission processes to help reduce waste, to create more space and reduce environmental cost.

We consolidated our CSR efforts – by our charter targeted at providing children and youth financial independence through education and skills development – towards a fewer, deeper partnerships. In the year, our combined efforts touched over 15,000 individuals through various interventions, and with the help of some innovative activities, we contributed over 20,000 volunteering hours as a firm. Through employee and company giving, we helped in relief efforts for the Odisha cyclone relief and Assam and Bihar floods. A flagship project in Lonavala is worth highlighting– working with our partner NGO we provided work opportunities for over 550 tribal families reducing migration by over 80%, helping increase school enrolments to 100% and encouraging 4,000 youths to participate across vocational training programs. We are very proud to be associated with such impactful grass-roots initiatives.

Awards and Recognitions

The industry recognised our work in the past year. We were lauded for our work in Robotics Process Automation at the NASSCOM Excellence Awards. Our Learning and Development function won two Gold awards at the Brandon Hall Excellence Awards – for the 'Best Use of Games or Simulations for Learning' and for 'Best Customer Service Training Program'. Our Markets team won the CII's 'National Competition on Lean' and our Analytics function was a winner of this award CYPHER Data Science award for 'AI in Travel and Tourism' category. Finally yet importantly, we won Gold for a Chat project this award in the ASQ South Asian Team Excellence Awards.

Charting uncertain waters

We are navigating tremendous uncertainty. Covid-19 has ensured that the world we enter at the end of FY20 is markedly different from that at the end of FY19. As I write this, our 8,500 employees are in the majority working from home, leaving our multiple offices empty. Meetings are being conducted on phones and desktops through virtual presence, new technologies allowing collaboration that just a few years ago would have seemed impossible. This way of working is undoubtedly as empowering as it is novel, and certain to become a permanent feature of some of our delivery models. How we win and deliver future business will no doubt change, forcing a relook at our overall sales and delivery business models.

Whilst the pandemic will likely exacerbate demand uncertainty by creating new winners and losers across client geographies, industries and companies, the demand for cost reduction, niche skills, automation and more diversified global delivery will inevitably rise. The change journey we have embarked upon over the past few years with the increase of global delivery, embedded automation and analytics and product-aligned managed services has been therefore timely. Our focus must now be to consolidate our position as the go-to innovative and high quality partner for our clients.

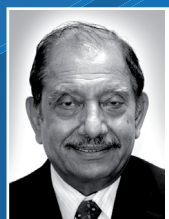
A special thank you

I want to end my note by recognizing the herculean work done by colleagues within the firm to ensure the firm stayed in business in March, albeit there are too many individual stories of entrepreneurship, personal risk taking and teamwork to each honour. This demonstration of determination and spirit is a timely reminder of what makes this firm so special – our EPIC focus on Excellence, People, Integrity and Client. With our people, our enviable client community, our capabilities and our hunger to always do better, I remain ever more confident of our future.

I thank you for your belief in us and for your ongoing support.

Sincerely,
PRADEEP KAPOOR
Chairman

BOARD OF DIRECTORS



Pradeep Kapoor
Chairman & Non-Executive
Independent Director



PD Mundhra
Executive Director



Anjan Malik
Non-Executive Director



Anish Ghoshal
Non-Executive
Independent Director



Biren Gabhawala
Non-Executive
Independent Director



Alok Goyal
Non-Executive
Independent Director



Deepa Kapoor
Non-Executive
Independent Director



Shailesh Kekre
Non-Executive
Independent Director

AUDITORS

Statutory

S. R. Batliboi & Associates LLP
14th Floor, The Ruby,
29, Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028,
Maharashtra, India.

Internal

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CHIEF FINANCIAL OFFICER

Rohitash Gupta

COMPANY SECRETARY

Pratik Bhanushali

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Ph. No.: 022 – 6614 8301
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E-mail: investor@eClerx.com
CIN: L72200MH2000PLC125319

REGISTRAR & TRANSFER AGENT

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(formerly Karvy Fintech Private Limited)
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BANKS

- Bank of India
- Citibank N.A.
- DBS Bank Limited
- Kotak Mahindra Bank Limited
- Standard Chartered Bank

- YES Bank Limited
- IDFC FIRST Bank Limited
- ICICI Bank Limited
- AXIS Bank Limited
- HDFC Bank Limited

ESG INITIATIVES

eClerx has been focused on good corporate governance and citizenship since its inception. As we saw success in our business, we increased our efforts on giving more back to the society and our stakeholders. Last year, eClerx started on its journey towards implementing a consolidated ESG (Environmental, Social, Governance) framework. The group of volunteering employees leading these ESG initiatives will find ways to improve what we have done last year and find new avenues to improve our environmental performance and giving back to the society while sticking to our uncompromising standards towards governance and cost prudence.

Currently, we are directly working on the following 10 out of the 17 Sustainable Development Goals defined by UNDP. All United Nations Member States adopted these goals in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

1

No Poverty

4

Quality Education

8

Decent Work And Economic Growth

11

Sustainable Cities And Communities

15

Life On Land

3

Good Health And Well Being

5

Gender Equality

10

Reduced Inequalities

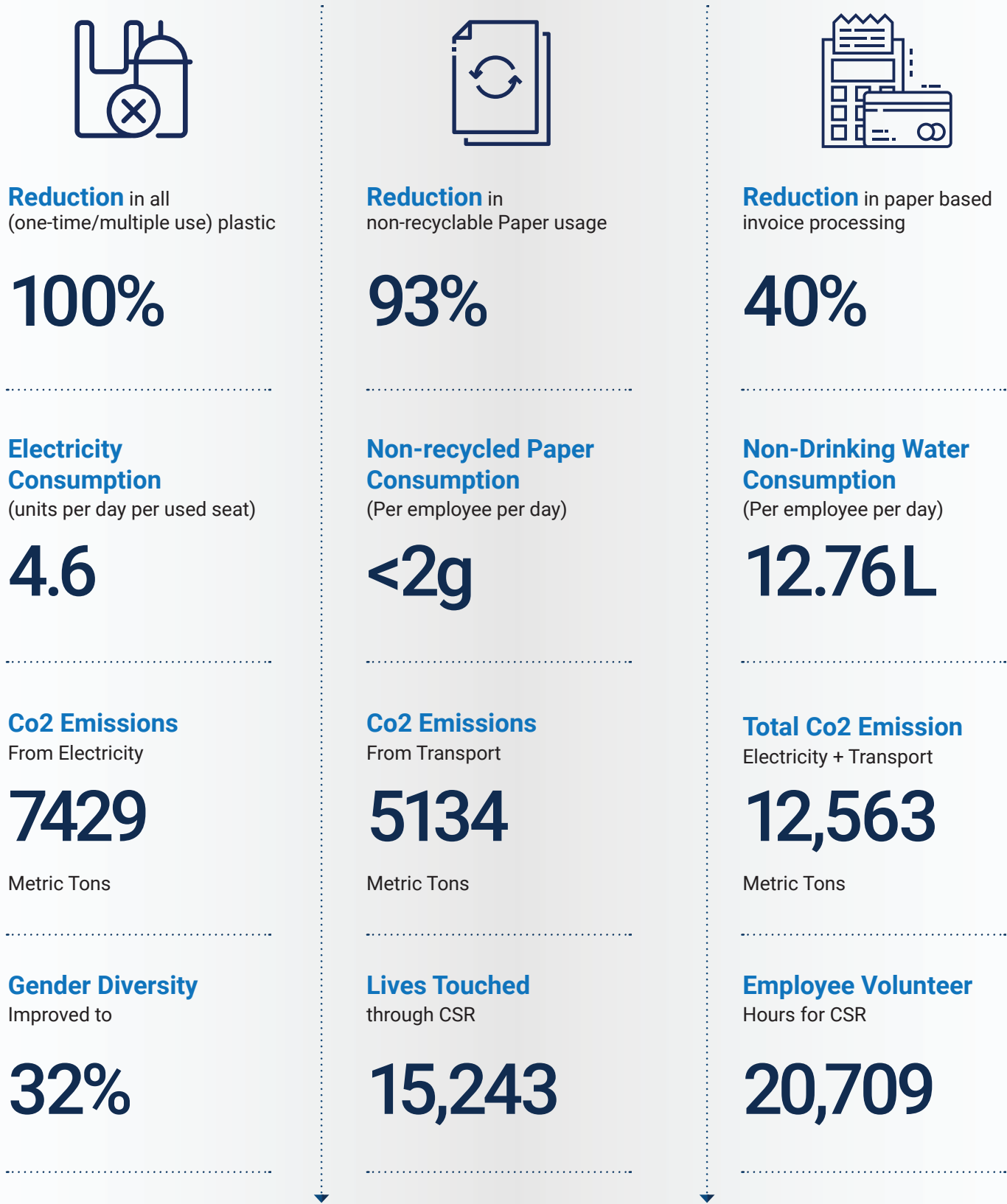
12

Responsible Consumption And Production

17

Partnership For The Goals

Below infographic and table represents some of our key initiatives in India this year and baseline measurement on various environmental and social metrics that we wish to track and improve in future.





As good corporate citizens, we feel responsible to actively contribute our best efforts to enhance the lives in our society and also give a platform for our employees to contribute using their time, efforts and skills. With eClerx's longstanding commitment to social welfare, we are determined to help create a better society through its CSR arm, eClerx Cares. This year, we have touched more than 15,000 lives in a significant way through our direct funding projects and employee volunteering activities.

A team of volunteer leaders forming eClerx Cares Council manages the employee volunteering activities at regional level under the banner of eClerx Cares. These leaders are chosen based on their contribution and interest in such activities and they are passionate about making a difference in the society. The council designs specific volunteering activities for each region and executes it with the help of our employees. Over years, we have seen gradual increase in the number of volunteering hours from our employees. More than 20,000 hours of volunteering was carried out by our employees in this year to support various causes promoted by eClerx.



Magic Bus Visit

A fun team building session conducted by eClerx Cares volunteers with kids from Sumanai Vidyamandir, Thane in association with Magic Bus

Chandigarh Painting activity

The Team of volunteers who painted classrooms at Jyoti Sarup Kanya Asra Society near Chandigarh



Tree plantation at SAMPARC

The team of eClerx Cares volunteers who planted 450+ trees in a SAMPARC School near Lonavala

Classroom painting at SAMPARC

Volunteers painting a study room at SAMPARC Balgram Lonavala

