



ANNUAL REPORT 2018





CORPORATE INFORMATION

Board of Directors

Raj Kumar Rishi (*Managing Director*)
(DIN 07979575)

David Brian Dyas (*Director*)
(DIN 07437186)

Prakash Kulathu Iyer (*Independent Director*)
(DIN 00529591)

Rishi Kant Srivastava (*Independent Director*)
(DIN 06708853)

Rodney Noonoo (*Director*)
(DIN 07690361)

Ashraf M.A. Elarman (*Director*)
(DIN 07206306)

Lisa Marie Oliver (*Director*)
(DIN 07900714)

Board Committees:

Audit Committee

Rodney Noonoo (*Chairman*)
Prakash Kulathu Iyer
Rishi Kant Srivastava

Nomination and Remuneration Committee

David Brian Dyas (*Chairman*)
Prakash Kulathu Iyer
Rishi Kant Srivastava
Raj Kumar Rishi (*Permanent Invitee*)

Corporate Social Responsibility Committee

Rodney Noonoo (*Chairman*)
Rishi Kant Srivastava
David Brian Dyas
Raj Kumar Rishi

Stakeholders Relationship Committee

Rishi Kant Srivastava (*Chairman*)
Prakash Kulathu Iyer
Ashraf M.A. Elarman
Raj Kumar Rishi

Key Managerial Personnel

Raj Kumar Rishi (*Managing Director*)
Satpreet Singh (*Chief Financial Officer*)
(previously Satpreet Singh Ahuja)
Rajiv L. Jha (*Company Secretary & GM Legal*)

Company Secretary

Rajiv L. Jha

Statutory Auditors

Price Waterhouse & Co Bangalore LLP
Chartered Accountants

Secretarial Auditors

Ranjeet Pandey & Associates
Company Secretaries

Internal Auditors

Ernst & Young LLP

Bankers

ICICI Bank
Citibank NA
HDFC Bank Ltd.
BNP Paribas
State Bank of India
Bank of America
State Bank of India (Bangladesh)

Registrars & Share Transfer Agents

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase I,
New Delhi - 110020

Registered Office

5th Floor, Block One, Vatika Business Park, Sector 49,
Sohna Road, Gurugram - 122018, Haryana (India)
Tel.: +91-124-446 3000
Fax: +91-124-446 3111

Website

www.xerox.com/india

Investor Relations Email ID

askus@xerox.com

Corporate Identity Number (CIN)

U72200HR1995PLC049183

International Security Identification Number (ISIN)

INE034E01013

BOARD'S REPORT

TO THE MEMBERS OF XEROX INDIA LIMITED

Your Directors have the pleasure in presenting the Twenty Second (22nd) Annual Report of Xerox India Limited ("the Company") along with the audited Financial Statements for the Financial Year ended 31st March 2018.

Financial Results

(₹ in Lacs)

Particulars	31.03.2018	31.03.2017
Gross Revenue	56,203.22	53,318.32
Profit Before Tax	7764.86	8426.45
Less: Current Tax	3030.32	2668.31
Prior years' tax write back	(52.83)	(56.67)
Deferred Tax	262.43	(147.18)
Profit / (Loss) After Tax	4524.94	5961.99
Earning per share (par value of ₹ 10/- each)		
Basic	10.29	13.40
Diluted	10.29	13.40

The Company has posted a profit before tax of Rs. 7764.86 Lacs and a profit after tax of Rs. 4524.94 Lacs in the financial year under Report as against profit before tax of Rs. 8426.45 Lacs and profit after tax of Rs. 5961.99 Lacs in the previous year, thereby recording a decline of 7.85% and 24%, respectively, while the gross revenue posted in the year under report is Rs. 56,203.22 Lacs as compared to the gross revenue of Rs. 53,318.32 Lacs in the previous year, a marginal increase of 5.41%.

Dividend

In light of (i) the planned cash utilisation in large GDO contracts; (ii) other expansion plans; (iii) pending tax/regulatory demands of your Company; and (iv) any future corporate action, it is required to conserve the available resources. Accordingly, the Board of Directors of your Company do not recommend a dividend for the financial year ended 31st March 2018.

Reserves

Pursuant to the provisions of the Companies Act, 2013, your Directors have decided to carry forward the profits for the year under review in the Statement of Profit and Loss.

Operations

Xerox is a print technology and intelligent work solutions leader focused on helping people communicate and work better. We apply our expertise in imaging and printing, data analytics, and the development of secure and automated solutions to help our customers improve productivity and increase client satisfaction. Our primary offerings span three main areas: Managed Document Services, Workplace Solutions and Graphic Communications.

Our Managed Document Services offerings help customers (ranging from small businesses to global enterprises) optimize their printing and related document workflow and business processes. Xerox led the establishment of this expanding market and continues as the industry leader. Our Workplace Solutions and Graphic Communications products and solutions support the work processes of our customers by providing them with efficient and cost effective printing and workflow solutions.

Xerox represents innovation, quality and an excellent customer experience. Xerox, as a company, has revolutionized the office, created printing-on-demand, and repeatedly reinvented and transformed to keep pace with the demands of our customers and the market. This is ably supported by a talented, high-performing team dedicated to delivering exceptional service to customers and partners.

Xerox is helping define the future of work and enabling printing beyond paper with new technologies that revolutionise the market and change the way we think about workflows and information processes.

Xerox portfolio of ConnectKey™-enabled products has transformed traditional printing devices into smart and secure workplace assistants that enable workflows to be simplified and automated via standard or customized apps and integrated with market-leading office solutions.

Xerox is an industry leader in managed print services – services that help customers save money, automate steps, boost productivity, and improve document security and environmental sustainability by gaining control of their document processes and print infrastructure.

Our content management and workflow automation solutions transform manual, error-prone processes into automated and accurate approaches that take minutes instead of days. We use analytics to bring operational excellence to routine workflows, as well as industry-specific processes. In retail banking, automating the processing of loan applications – from first engagement to loan disbursement – simplifies or removes many of the manual paper handling and document processing steps. The results include reduced application processing time and error rates, increased customer satisfaction, and greater oversight and control over the process.

Commercial print, in-plant and packaging print customers rely on Xerox's graphic communications solutions to enable high-quality on-demand production of an extensive range of applications that drive growth and increase profitability. Software offerings bring automation and integration to the processing of print jobs for a touchless – and more productive – workflow.

With the broadest portfolio of office and production printing technology and award-winning managed document services, we help organizations of all sizes drive their business forward.

At the Intersection of Physical and Digital

Xerox brings breakthrough experiences to life, whether on a piece

of paper or a digital page. Our office solutions make moving in and out of the digital and physical worlds intuitive and seamless. Our graphic communications solutions enable personalized, engaging and highly effective print and digital communications.

Office Solutions

In 2017, we launched the two platforms of ConnectKey-enabled devices. With these devices, we now have a SMART MFP, which can move from the corner into the heart of the office and fulfil that role as the workplace assistant. As the workplace transforms, ConnectKey is key to enabling the evolution to open standards, cloud and mobile workflows, and a “work where you are” perspective.

With ConnectKey, the MFP can finally transform from a standalone device that sits in the corner to a key member of the IoT that connects people with the information they need across devices, locations and systems. ConnectKey Technology is the umbrella platform and an ecosystem, consisting of hardware and software systems, mobile and cloud connections, solutions and apps that extend functionality to expanded capabilities, and partner programs that add security and customised workflows. All of these collectively work to build the most productive workplace.

Through 2017 ConnectKey® Technology Ecosystem, we've redesigned our user experience to provide a personalised experience with a completely re-engineered interface that offers mobile and tablet-like interactivity and coherency across the entire ConnectKey family of products, both AltaLink and VersaLink. Common functions work the same way, and install wizards streamline the setup process with little or no IT support. With the larger new user interface customers swipe, tap and pinch their way through simplified workflows to get work done quickly and easily. Users can customise the interface to keep the apps they use most front and center, proving Xerox ConnectKey devices continue to be the most adaptable in the industry. The next generation design offers a modern, simple look, with all functionality moving to on screen buttons, just the way they are on user's mobile device. So customers spend less time on learning, and more time accomplishing their daily tasks.

We sell a wide range of color and black-and-white multifunction, printers & copiers. Our office segment serves global, national and small to midsize commercial customers as well as government, education and other public sector customers. Office systems and services, which include monochrome devices at speeds up to 90 ppm and color devices up to 70 ppm, include our family of WorkCentre® digital multifunction systems and Phaser® series of printers for the specific customer needs and the new AltaLink and VersaLink family of products.

Production Solutions

In this category, we provide High End Digital Colour and Monochrome printing systems designed for commercial printers, jobbers, customers in the publishing, security printing and graphic arts industry and for large enterprises. These high-end devices enable digital on-demand printing, digital full colour printing and enterprise printing. Xerox Production Portfolio ranges from Entry Production Colour systems of 60 pages per minute (ppm) to High End Production Colour systems of 150 ppm which includes

the Flagship Xerox iGen 5 150 Press. The Mono devices range from Light Production to High End cut sheet equipment capable of printing from 95 to 314 ppm. The production cut sheet devices are complemented by a complete line of Mono & Colour continuous feed printers with speed up to 254 metres per minute and together constitute the largest production portfolio in the industry with the inkjet range of products in our portfolio to address this rapidly growing segment of market. We also offer a variety of pre-press and post-press options and the industry's broadest set of workflow software. Our software digital technology, combined with total document solutions and services enable personalization and printing on demand, delivers value that improves our customers' business results. The production devices deliver enhanced image quality with HD resolution, higher productivity, better media handling and improved cost efficiencies to our customers. With one of the largest portfolio of products, the Company is well poised to reinforce its position in the market.

Our Graphic Communications Solutions are designed for customers in the graphic communications, in-plant and production print environments with high-volume printing requirements. These solutions enable full-color, on-demand printing of a wide range of applications, including variable data for personalized content and one-to-one marketing. Graphic Communications Solutions include:

- Our cut-sheet presses - provide graphic communications and commercial printers with high speed, high-volume printing. They are ideal for publishing, transaction printing, print on demand and one-to-one marketing.
- Our inkjet presses - offer a broad range of roll fed, continuous feed printing technologies, including waterless inkjet and aqueous inkjet for vivid color, and toner-based flash fusing for black and white.

Our FreeFlow portfolio of software offerings brings intelligent automation and integration to the processing of print jobs, from file preparation to final production, for a touchless workflow. It helps customers of all sizes address a wide range of business opportunities including automation, personalization and even electronic publishing. In 2017, we sold our FreeFlow Print Server (FFPS) DFE business to Electronics for Imaging (EFI). Under the terms of the deal, we established a strategic partnership that will bring to market a next generation digital front end (DFE) solution with more efficiencies, performance and quality to meet the most demanding production requirements.

Global Document Outsourcing/Managed Document Services

Our Global Document Outsourcing/Managed Document Services includes a continuum of solutions and services that helps our customers optimize their print and communications infrastructure, ensure the highest levels of security & productivity, and enable their digital business objectives. Our primary offerings within Managed Document Services are Managed Print Services (MPS), Multi-Channel Communication Services and a range of Digital Solutions including Workflow Automation Services, Content Management and Digitization Services.

In our MPS business, we help companies assess and optimize their print infrastructure, secure and integrate their environment and automate and simplify their business processes. We provide the most comprehensive portfolio of MPS services in the industry and are recognized as an industry leader by major analyst firms including Gartner IDC, Quocirca, InfoTrends and Forrester. Our MPS offering targets clients ranging from large, global enterprises to governmental entities and to small and medium-sized businesses, including those served via our channel partners.

Our Next Generation Xerox Partner Print Services is a comprehensive suite of services that allows channel partners to support their SMB customers with some of our best-in-class tools, processes, and workflow solutions developed by Xerox for large enterprises.

In our Multi-Channel Communications Services business, we help large enterprise and global clients drive effective communications across a range of digital and physical touch points. We offer a range of platform-enabled digital services that deliver relevant and timely communications focused on customer acquisition, on-boarding or retention. Our portfolio includes Collateral Management Services, Demand Generation Services, Product Information Management Services and Centralized Print Production Services.

Our Digital Solutions portfolio features our Workflow Automation solutions, Content Management solutions and Digitization Services. Our Xerox Workflow Automation Services help our customers assess, optimize and automate their workflow in a secure and integrated IT environment. By eliminating ineffective processes, we bring our clients operational excellence in routine workflows as well as industry-specific processes. These offerings are enhanced and complemented by our proprietary content management software solutions including DocuShare 7 and our cloud-based DocuShare Flex platform.

Paper

Xerox sells variety of Xerox Branded Copy/ Print/ Digital Paper to its customers for use in their document processing requirements. We are into both Commodity & Digital Paper along with Wide format rolls.

Our strategy is to charge a premium over mill wholesale prices and offer better quality, which is adequate to cover our costs. We are also engaging newer sources of paper and relaunching brands as Colotech Digital range. Companies that provide paper to Xerox for resale must meet stringent requirements that cover all aspects of papermaking, from forest management to production of finished goods.

The market for copy/ print paper is highly competitive and revenues are significantly impacted by pricing as well as availability.

Whatever is the type of document and device – Copier, Printer, Production System, Wide Format machines, there is a Xerox Paper to suit from great looking business proposals to everyday office prints, the Xerox range delivers results. Xerox digital colour papers are the benchmark for colour digital printing. They are designed for use in a wide range of dry toner colour printers and copiers of all make. Our Wide format rolls are able to produce exceptional images of all wide printing needs.

We market and sell the products with all India Xerox Paper Partner Network which are present all across the country. We also have presence in many Government and Blue-Chip corporate customers where we are supplying the Xerox branded paper for years.

Customer Service Organization

Xerox has taken several initiatives over the last few years that have helped us enhance our service levels and drive better experience for our customers and partners. We have taken steps on retention of existing customers and also increase the usage of Xerox products.

We also track the customer satisfaction levels with regular surveys and we have seen an improvement over previous year.

Xerox service represents a significant competitive advantage and to be able to leverage it to a competitive advantage means that it is continually trained on our products and is equipped with unique and world-class diagnostic tools with seasoned technical specialist to support our customers. In 2017, usage of e-learning platforms contributed to the successful enablement of the services organization. Special focus was given on the skill enhancement of partner technical team through face-to-face training as well as the enhanced usage of PartnerNet portal for online training.

We continued on Service Modernisation including Auto Supplies Replenishment resulting in enhanced customer experience. In addition to that, we ensure that the Customer service escalations flow to a thorough monitored process till timely closure.

The Partner Certification program, linked to Partner Service Delivery capabilities, is helping us provide uniform service delivery by all partners across geography. This has helped us improve the skill levels of our partners while improving speed and reducing cost to train. All these initiatives are helping us deliver uniform and faster service delivery across region.

Initiatives on Sustainability from Xerox Corporation

At Xerox, sustainability is our way of doing business. We align our goals for the environment, health and safety in five key areas to make an impact across our value chain worldwide. Together with our suppliers, customers and stakeholders, we strive to maintain the highest standards for preserving our environment and protecting and enhancing the health and safety of our employees and communities.

We Reduce Energy Use to Protect Our Climate

Industry must do its part to protect our climate. To this end, we reduce our carbon footprint by cutting energy use in our facilities, investing in product designs that conserve energy and lower greenhouse gas emissions, and offering digital multifunction printers and energy-efficient solutions to our customers.

Carbon footprint reduction

Our new corporate-wide goal is to reduce energy consumption by 20 percent by 2020 – from a 2012 baseline. In 2015, we reduced energy consumption by 12 percent and cut emissions by 20 percent – that's 65,000 tons of CO₂e.

ENERGY STAR Savings

Each new generation of Xerox products offers more functionality and uses less energy – saving our customers money and reducing their carbon footprint. Xerox is a charter partner of the International ENERGY STAR program and has introduced nearly 500 ENERGY STAR qualified products since 1994.

Multifunction Printers Save Energy

Xerox multifunction printers reduce the amount of energy used by combining the functions of multiple products into one machine. Approximately, 50% less energy is used by one multifunction printer than the combined annual consumption of the individual products it replaces.

Energy-saving Solutions and Services

Xerox Managed Print Services help customers become more productive, improve energy efficiency, and reduce material use and related waste by streamlining their print environment and processes.

Our digital production printing solutions go a long way to reduce the use of chemicals and improve indoor air quality.

Partnering to Reduce the Risk of Climate Change

Xerox reports to CDP, an investor-led project that encourages companies to disclose risks and opportunities that climate change presents to the business, and greenhouse gas emissions accounting and reduction strategies.

In 2015, Xerox was awarded a position on the S&P Climate Disclosure Leadership Index (CDLI) for disclosing high quality carbon emissions and energy data through CDP's climate change program.

Efficient Use of Paper at Xerox

Xerox equipment and software are designed with features—such as reliable, two-sided (duplex) printing — that allow customers to make more efficient use of paper. In mid-2010, Xerox integrated the “Earth Smart” feature into its Global Print Driver. “Earth Smart” brings several resource-saving settings together at the single click of a button, such as duplex, n-up, proof print and toner saving modes, thus enabling customers to make responsible printing choices. Xerox Enterprise Print Services customers have access to sophisticated print management and reporting tools, such as Xerox Print Agent. These tools provide additional methods for encouraging and tracking responsible print behavior. Software products such as DocuShare, SMARTsend, and FreeFlow Digital Workflow Collection help Xerox customers reduce paper consumption by facilitating electronic data management, scan-to-e-mail, print-on-demand and distribute-then-print workflows.

Prevent and Manage Waste

We produce waste-free products in waste-free facilities to help our customers reduce waste. Our aim is to design products, packaging and supplies that make efficient use of resources, minimize waste, reuse material where feasible and recycle what can't be reused. All Xerox products contain between 0%-5% post-consumer recycled plastic content.

Clean Manufacturing Preserves Clean Air and Water

To do our part for the environment, Xerox is working toward eliminating the use of persistent, bio-accumulative and toxic materials throughout the supply chain. Xerox Corporation apply strict internal standards in clean manufacturing and have re-engineered or substituted processes to dramatically reduce the use of toxics and heavy metals. Our products are safe to use and can be disposed of responsibly to preserve our clean air and clean water.

Xerox Corporation's recognition in (Apr 2017 – Mar 2018):

- Xerox is No. 83 on Barron's "100 Most Sustainable Companies" listing.
- Buyers Lab awarded 13 Xerox print devices as "Winter 2018 Picks."
- Fortune Ranks Xerox on its 2018 Most Admired List.
- Xerox was recognized among the world's most innovative companies in being named a "2018 Thomson Reuters Top 100 Global Technology Leader."
- Xerox's AltaLink devices are the first multifunction printers (MFPs) to be certified by the National Information Assurance Partnership (NIAP) under rigorous new testing standards.
- Xerox is winner of Channelnomics Innovation Award for Global Partner Program of the Year.
- Xerox was awarded the 2017 Sustainability Partner award from Citigroup Inc.
- The Xerox Global Security Services group has been selected as a recipient of the sixth annual CSO50 Awards
- Xerox was ranked No. 18 on Mogul.com's "Top 100 Innovator for Diversity & Inclusion in 2017" list.
- Xerox awarded the BLI Production Printer PRO Award 2018 for the Versant 180 Press with Fiery EX 180 EFI Printer Server in the Outstanding Color Light Production Device category.
- Xerox ranked No. 6 on Diversity MBA Magazine's 11th annual listing of "Best Places for Women & Diverse Managers to Work".
- Xerox takes home a Reader's Choice Award from Channel Pro Network for "Best Managed Print Vendor."
- Xerox received the BLI PaceSetter in Document Imaging Security 2017–2018 award.
- Xerox received the BLI PaceSetter in MFP Platforms & App Ecosystems 2017–2018 award.
- Xerox ranked No.162 on Fortune 500 list for 2017. Xerox has been on the list for 23 years and ranked No.150 in 2016.
- Xerox named to the "100 Best Corporate Citizens List" by Corporate Responsibility Magazine
- Xerox Rated Top Manufacturer in Sustainability Performance

Corporate Social Responsibility (CSR)

Your Company has a Corporate Social Responsibility Committee of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules 2014, as amended from time to time and in force on the date of the Report.

The brief outline of the Corporate Social Responsibility Policy of the Company, including overview of the programmes undertaken, the composition of the CSR Committee, average net profits of the Company for the last three financial years, prescribed CSR expenditure, and the details of the amount spent by the Company on CSR activities during the year under Report, have been disclosed in **Annexure-I** to this Report. As a socially responsible Corporate Citizen, Xerox India has endeavoured to contribute to inclusive growth by undertaking a range of initiatives to address key challenges related to sustainable development in the country. In conjunction with CSR partner organisations, we have launched initiatives in the areas of education, community health care, women empowerment and skill-building and environmental sustainability.

Our Key CSR initiatives during FY 2017-18 include the following:

Women Empowerment & Skill-building

Our association with **Samarpan Foundation** aimed at assisting women to empower themselves. This empowerment not only creates the possibility of a better life for them, but also equips them to have confidence and individuality. Hence, the aim of this initiative is to encourage and enable women to look forward to a better quality of life, by giving them opportunities to learn a skill through which they can become financially independent. Our mission is to build the following skills:

- To impart intermediate skills training and specialisation in tailoring and stitching.
- To ensure basic literacy for optimum utilisation of the skills imparted.
- To enhance the confidence level of women beneficiaries via workshops and activities.
- To encourage the financial independence of the women beneficiaries

Community Healthcare

In order to ensure delivery of quality healthcare including maternal, newborn, child health and nutrition services to the vulnerable segments of population living in urban slums of Delhi/ NCR, we have partnered with **Dr. A V Baliga Memorial Trust** to implement a model of comprehensive (preventive, promotive and curative) service delivery through Life Line Clinics. The primary target groups of this project are women and children although the entire community will benefit.

Education & Crucial Life Skills

Our ongoing project with **Magic Bus Foundation** empowers 400 children in crucial life skills like education, health, gender equality and socio-emotional learning. Our partnership with Magic Bus Foundation is a part of Xerox's commitment to empower disadvantaged young people with the skills and confidence they need to fulfil their true potential.

Environment

Xerox India views environmental preservation as a vital aspect of its CSR strategy. Hence, efforts in conserving biodiversity and ecosystems as well as creating awareness of their role in a healthy society are the mainstay of our CSR focus. Xerox

India has partnered with **WWF-India** for conducting Eco-trails as an initiative where children not just learn but also enjoy their rendezvous with nature. Our experience of the Eco-trails conducted by WWF India in 2017-18 has reinforced our belief that children have an innate ability to bond and learn from the environment and if nurtured correctly, this can lead to sustainable thinking and ecological literacy.

Green Initiatives

Electronic copies of the Annual Return 2017-18 and the Notice of the 22nd Annual General Meeting of the Company are sent to all the members whose email addresses are registered with the Company/depository participant(s). For members, who have not registered their email addresses, physical copies are sent through the permitted mode.

IT and Other support Services

Your Company continues to successfully provide information technology support services for various software applications, including their day-to-day maintenance, query resolution, and other support activities, including administration, configuration and test activities.

During the year under Report, your company grew its revenue from its support export services.

Human Resources Development

The Company has continuously aligned its structures to changing business needs; we strive to attract the best talent as well as promote internal talent to higher roles and responsibilities. Xerox' people-centric focus provides an open work environment, fostering continuous improvement and functional and technical skill development.

The Company's HR policy commits to providing a conducive work environment for its employees. The Company's progressive workforce policies and benefits, its various employee engagement initiatives, help the organization create an engaging culture.

Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment in the workplace, and has a policy on the prevention, prohibition and redressal of sexual harassment in the workplace ("the Policy") in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Your Company has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during the financial year 2017-18:

No. of complaints received: Nil

No. of complaints disposed of: Nil

Directors' Responsibility Statement

The financial statements for the FY 2017-18 have been prepared in accordance with Indian Accounting Standards (IndAS). The

IndAS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Effective 1st April 2017, the Company has adopted all the IndAS Standards and the adoption was carried out in accordance with applicable transition guidelines. Based on the representations received from the management, the Board of Directors of your Company hereby declares and confirms the following statements in terms of Section 134(5) r/w Section 134(3)(c) of the Act:

- i. that in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed alongwith proper explanation to material departures, if any;
- ii. that such accounting policies as mentioned in Note No. 2 of the Notes to Accounts of the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profit of the Company for the financial year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, and that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis;
- v. that the internal financial controls to be followed by the Company, were in place and that such internal financial controls are adequate and were operating effectively; and
- vi. that proper systems to ensure compliance with the provisions of all applicable laws was in place and that such systems were adequate and operating effectively.

Annual Evaluation by the Board of its own performance and that of its Committees and Individual Directors

Your Company has a *Policy on Performance Evaluation* towards evaluating Board's own performance and effectiveness as well as that of its committees and individual directors including independent directors. Accordingly, in terms of the requirements of the Act and pursuant to the aforesaid Policy, the performance evaluation exercise was carried out through a structured questionnaire covering various aspects, such as Board composition & quality, strategy and risk management, relation with the management, board meetings & procedures.

Further, a separate exercise was carried out to evaluate the performance of individual Directors on laid down parameters such as attendance, contribution and independent judgement. The Directors carried out the aforesaid Performance Evaluation in a confidential manner and provided their feedback on a rating scale of 1-5. The results of the evaluation were shared with the Board, Chairman of the respective Committees and individual Directors. Based on the outcome of the evaluation, the Board and the Nomination & Remuneration Committee (in respective meetings held on 19th April 2018) have agreed on an action plan

to further improve the effectiveness and functioning of the Board and Committees.

Meeting of Independent Directors

In terms of Schedule IV to the Act and Rules thereunder, a separate meeting of the Independent Directors ("Annual ID meeting") for the year 2018 was held on 19th April 2018, in which the independent directors, inter alia, discussed:

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the chairperson taking into account the views of executive Directors and non-executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board.

The separate Annual ID meeting for the year 2017 was held on 25th April 2017.

Directors and Key Managerial Personnel

During the year under Report, the term of office of Mr. Ashraf M.A. Elarman was expiring on 30th June 2017. Therefore, the Board (in its meeting held on 25th April 2017) re-appointed/extended the term of office of Mr. Ashraf M. A. Elarman as the Managing Director for the period beginning 1st July 2017 till 31st December 2017. The said re-appointment (including the terms and conditions of such re-appointment and remuneration payable on such re-appointment) had subsequently been approved by the shareholders of the Company in the 21st Annual General Meeting held on 28th September 2017 (as adjourned on 21st September 2017). During the year under Report, on account of change in the residential status of Mr. Ashraf M.A. Elarman from non-resident to resident in India in terms of applicable laws, no approval of Central Government was required for such re-appointment.

Further, during the year under Report, Mr. Ashraf M.A. Elarman ceased to be the Managing Director of the Company effective 1st January 2018, however, the Board of Directors of the Company approved the change in designation of Mr. Ashraf M.A. Elarman as a Non-Executive Director of the Company effective 1st January 2018.

Further, effective 10th August 2017, Ms. Lisa Marie Oliver was appointed as an Additional Director and subsequently Ms. Oliver got appointed as a Non-Executive Director (Woman Director) of the Company in the 21st Annual General Meeting (AGM) of the Company held on 28th September 2017.

During the year under Report, Mr. Raj Kumar Rishi was appointed as an Additional Director of the Company effective 15th December 2017 by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, and in terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Raj Kumar Rishi holds office only upto the date of the forthcoming 22nd Annual General Meeting (AGM) of the Company. Further, the Board (based on the recommendation of the Nomination and Remuneration Committee) also appointed Mr. Raj Kumar Rishi as the Managing Director of the Company effective from 15th December 2017 for a period of 5 (five) years subject to approval

of the shareholders of the Company. The Board recommends his appointment, and accordingly resolution seeking approval of the members for his appointment has been included in the Notice of the forthcoming 22nd Annual General Meeting of the Company along with his brief profile and other required information.

Mr. David B. Dyas, Director, retire by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

During the year under report, Ms. Daniela Cosette Untescu and Mr. Rajat K. Jain had resigned from the directorships of the Company effective 1st April 2017 and 31st December 2017, respectively.

Independent Directors' Declaration

During the year under Report, Mr. Prakash Kulathu Iyer and Mr. Rishi Kant Srivastava, who are independent Directors, had submitted the necessary declaration(s) under Sub-Section (7) of Section 149 of the Act that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act. Further, there has been no change in the circumstances which may affect their status as independent director during the year under report.

Meetings of Board and Board Committees

The Schedule of meetings of the Board and the Committees thereof for the next calendar/financial year is circulated at the start of the calendar/financial year, to all the members of the Board.

The Board meets at regular intervals to discuss and decide on affairs of the Company/business policy and strategy, in addition to other Board business.

The notices of Board and Committee(s) meetings are given well in advance to all the Directors and Committee(s) members, respectively. Primarily, the meetings of the Board are held at the place of Registered Office of the Company. As a process, information to Directors are circulated alongwith the detailed Agenda well in advance of Board meetings. At these meetings, Directors can provide their inputs and guidance on various strategic and operational matters.

The Board met Six (6) times (including adjourned meeting) during the Financial Year 2017-18 on 25th April 2017, 25th July 2017 (adjourned till 10th August 2017), 20th September 2017, 15th November 2017, and 18th January 2018. The maximum interval between any two meetings did not exceed 120 days.

Attendance of Directors in the aforesaid meetings:

Name of Director	Category	No. of Meetings held (including adjourned meeting)	No. of Meetings attended (including adjourned meeting)	Attendance at the 21 st AGM (Y/N)
Ashraf M.A. Elarman *	Managing Director	6	4	Y
David Brian Dyas	Non-Executive Director	6	2	N
Prakash Kulathu Iyer	Independent Director	6	6	N
Rishi Kant Srivastava	Independent Director	6	6	N
Rajat K. Jain **	Non-Executive Director	6	5	N
Rodney Noonoo	Non-Executive Director	6	1	Y
Lisa Marie Oliver ***	Non-Executive Director	6	Nil	N
Raj Kumar Rishi ****	Managing Director	6	1	NA

* Ashraf M. A. Elarman ceased to be the Managing Director of the Company effective 31st December 2017, and continues as Non-Executive Director on Board of the Company effective 1st January 2018)

** Rajat K. Jain ceased to be the Director of the Company effective 31st December 2017

*** Lisa Marie Oliver has been appointed as a Director of the Company effective 10th August 2017

**** Raj Kumar Rishi has been appointed as an Additional Director and designated as the Joint Managing Director of the Company effective 15th December 2017 and as the Managing Director effective 1st January 2018.

Committees of the Board

During the year under Report, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently Four (4) Committees of the Board, as follows:

- Audit Committee**

Meetings' Details for FY 2017-18

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Rodney Noonoo	Chairman of the Committee	4	Nil
Prakash Kulathu Iyer	Member	4	4
Rishi Kant Srivastava	Member	4	4

- Nomination and Remuneration Committee**

Meetings' Details for FY 2017-18

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Ashraf M.A. Elarman *	Chairman of the Committee	4	1
Prakash Kulathu Iyer	Member	4	4
Rishi Kant Srivastava	Member	4	4
David Brian Dyas **	Chairman of the Committee	4	1
Raj Kumar Rishi **	Permanent Invitee	4	N.A.

* Ceased to be a Member of Nomination and Remuneration Committee effective 18th January 2018

** Designated as the Chairman of Nomination and Remuneration Committee effective 18th January 2018

*** Inducted as the Permanent Invitee to the meetings of the Nomination and Remuneration Committee effective 18th January 2018

- Corporate Social Responsibility Committee**

Meetings' Details for FY 2017-18

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Rodney Noonoo	Chairman of the Committee	1	1
Ashraf M.A. Elarman *	Member	1	1
Rishi Kant Srivastava	Member	1	1
David Brian Dyas	Member	1	Nil
Raj Kumar Rishi **	Member	1	N.A.

* Ceased to be a Member of Corporate Social Responsibility Committee effective 18th January 2018

** Inducted as a Member of the Corporate Social Responsibility Committee effective 18th January 2018

- Stakeholders Relationship Committee**

Meetings' Details for FY 2017-18[§]

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Rajat Jain *	Chairman of the Committee	1	1
Ashraf M.A. Elarman	Member	1	1
Rishi Kant Srivastava **	Chairman of the Committee	1	1
Prakash Kulathu Iyer	Member	1	1
Raj Kumar Rishi ***	Member	1	N.A.

* Ceased to be the Chairman of the Committee on his cessation of directorship of the Company effective 31st December 2017.

** Designated as the Chairman of the Committee effective 18th January 2018

*** Inducted as the Member of the Committee effective 18th January 2018

[§] Acting through a delegated authority by constituting a sub-committee of Authorised Officers of the Company under a given charter for handling of matters related to shareholders of the Company.

Policy of Directors' Appointment and Remuneration

The Company's policy on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, the independence of the director and other matters provided under section 178(3) of the Act are covered under the *Nomination and Remuneration Policy* of the Company. Further, information about the elements of the remuneration package of individual directors is provided in the extract of the Annual Return as provided under Section 92(3) of the Act, and is enclosed in **Annexure-VII** in the prescribed Form MGT-9, and forms part of this Report.

Business Ethics and Code of Conduct

Your Company has continued to vigorously implement the Business Ethics and Code of Conduct policies with all its employees and its business partners / associates / service providers. The Company has 'Zero tolerance' for any violation of Business Ethics Policies and has a Business Ethics Board comprising of members of the Senior management team, which meets periodically to review the ethics program deployment and deals with ethics related issues.

Relationship between Directors inter-se

None of the Directors are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act read with Rules thereunder.

Pecuniary Relationship or Transactions of Non-Executive Directors

During the year under Report, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company other than as disclosed.

Vigil Mechanism

Your Company has a Board-approved *Business Ethics & Vigil Mechanism Policy* establishing a whistle blower/vigil mechanism for Directors and employees to report their genuine concerns to the designated authorities regarding any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, and provides safeguards against the victimization of individuals who avail of the mechanism. The Policy permits all the directors and employees to report any breach of policy directly to the Business Ethics & Compliance Office, or the Chairman of the Audit committee in exceptional cases (viz. serious fraud, cases threatening Company's existence, embezzlement etc.). During the year under review, no employee was denied access to the Business Ethics & Compliance Office or to the Audit Committee. The *Business Ethics and Vigil Mechanism Policy* is available on the website of the Company (www.xerox.com/india).

Disclosure of the Nomination & Remuneration Policy

The Company is having a *Nomination and Remuneration Policy* for the selection and appointment of Directors, Key Managerial Personnel and other senior management personnel, fixing their remuneration including criteria for determining qualifications, positive attributes, independence of a director and related matters as provided under the applicable provisions of the

Act. The *Nomination and Remuneration Policy* is enclosed as **Annexure – II**.

Deposits under the Companies Act, 2013

During the year under Report, your Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended from time to time), and as such, no amount on account of principal or interest on deposits was outstanding as on the date of the financial statement/balance sheet. There are no unclaimed deposits as on 31st March 2018.

Particulars of Loans, Guarantees and Investments

During the year under Report, your Company has not given any loans or provided any guarantees or made any investments within the meaning of Section 186 of the Companies Act, 2013.

Internal Control

Your Company has laid down standards, processes and structure which enable implementation of internal financial controls across the organization to ensure that the same are adequate and are operating effectively.

Your Company has appointed Ernst & Young LLP to oversee and carry out the internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the Audit Committee. Your Company has an Audit committee, the details of which have been provided elsewhere in this Report. The Audit Committee reviews audit reports submitted by the Internal Auditors. Suggestions for improvement are considered and the Audit committee follows up on corrective actions. The Audit committee also meets the Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems, and keeps the Board of Directors periodically informed of its major observations, if any.

Risk Management

Your Company has the Board-approved *Policy for Risk Assessment & Management*, wherein all potential material risks w.r.t. the Company are identified and assessed. Further, the risk management of the Company is overseen by the Audit Committee.

Material Changes and Commitments affecting the financial position of the Company

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company till the date of this report except as disclosed in this Annual Report.

Reporting of Frauds by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees.

Auditors & Auditors' Report

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s Price Waterhouse & Co Bangalore

LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of the 18th Annual General meeting (AGM) of the Company held on 23rd September, 2014 (as adjourned from 16th September, 2014) till the conclusion of the 23rd AGM to be held in the year 2019, subject to ratification of their appointment by the members at every AGM of the Company.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report for financial year 2017-18, except w.r.t. excess managerial remuneration, and an Emphasis of Matter w.r.t. Proceedings by Directorate of Enforcement, the explanations thereon by your Directors are as follows:

(A) With respect to the "Basis of Qualified Opinion" and "Opinion" (appearing at Sl. nos. 8, 9, respectively and Sl. no. 12(b), 12(f) in the Auditors' Report) for the year under Report, your Directors state that the said matter pertains to the financial year 2008-09. In this regard, reference is made to Note no. 41(b) of the Notes to Financial Statements, which provides the relevant information and explanation to the qualification made by the Auditors.

In addition, in the interest of providing further clarity, the Board of Directors hereby provides further explanation to the Auditors' qualification as under:

The Auditors of the Company have stated that the excess remuneration paid to directors in the financial year ended March 31, 2009 could range from Rs. 76.59 lacs to Rs. 96.59 lacs by applying Section II of Part II of Schedule XIII to the erstwhile Companies Act, 1956, in computation of net profits for the financial year 2008-09.

However, the Company is of the view and has been stating as follows:

(a) The Auditors had considered payments by the Company under Voluntary Retirement Scheme (VRS) for its employees as "usual working charges" of the Company. As per the Auditors' understanding, the Company did not have any "net profits" in accordance with Section 349 of the erstwhile Companies Act, 1956 ("Act") for payment of remuneration to directors for the FY 2008-09. The Company has been disagreeing/disagrees with this view taken by the Auditors. Payments under the Voluntary Retirement Scheme (being in the nature of ex-gratia), as implemented by the Company during the FY 2008-09, were made by the Company voluntarily, of its own accord, over and above its legal obligations. The same cannot, therefore, constitute usual working charges of the Company. In accordance with Section 349(5)(c) of the Act, such payments (which are made voluntarily/ex-gratia by a company) are not required to be deducted while computing net profits under Section 349 of the Act for the purpose of managerial remuneration. The view

taken by the Company is supported by independent legal opinion and by views expressed by authors in noted treatise(s) on the aforesaid Section, and general understanding of the provisions in the industry.

(b) Due to the above reason, the Auditors appeared to have computed the excess managerial remuneration based on Section II of Part II of Schedule XIII to the Act. However, as per calculations of the Company, the Company earned net profits of Rs. 1,679.64 Lacs in the financial year 2008-09, as computed in accordance with Section 349 of the Companies Act, 1956 (on the basis that VRS payments, being in the nature of ex-gratia, are non-deductible expenses/item and required to be added back in computation of such net profits), and excess managerial remuneration in this case, must therefore be computed based on Section I of Part II of Schedule XIII (as had been done by the Company and submitted with MCA earlier, i.e. Rs. 19.76 Lacs as amount of excess remuneration paid during financial year 2008-09) and not under Section II of Part II of Schedule XIII (as had been done by the Auditors) to the Act.

In view of the aforesaid, with reference to Note No. 41(b) to the Financial Statements, your Company, in the financial year 2015-16 (a) obtained the approval of the shareholders in the 20th Annual General Meeting (held on 27th September 2016) towards recognising the amount of such excess remuneration (amounting to Rs. 19.76 Lacs) as recoverable by the Company in the Audited Financial Statements of the Company for FY 2015-16 and submitted the same with the Registrar of Companies; and (b) submitted a letter with the Ministry of Corporate Affairs (MCA) withdrawing its earlier application seeking approval to the payment of aforesaid excess remuneration. Based on the aforesaid, during the previous financial year 2016-17, the Company recovered Rs. 19.76 Lacs of excess managerial remuneration (pertaining to FY 2008-09) from its parent company on behalf of the concerned managerial personnel and disclosed the fact of such recovery in the audited financial statements for previous FY 2016-17 and Board's Report thereon and as also reported by Auditors in the Audit Report for previous FY 2016-17. Such recovery was subsequently approved and adopted by the shareholders in the last Annual General Meeting (21st AGM) held on 28.09.2017, and necessary filing of the audited financial statements of FY 2016-17 was also done by the Company with the Registrar of Companies in October 2017.

(B) With respect to the "Emphasis of Matter" (appearing at Sl. No. 10 in the Auditors' Report), for the year under Report, your Directors state that the said matter pertains to the years 2000-03. In this regard, reference is made to Note No. 42(a) of the Notes to Financial Statements, which provides the relevant information and explanation to the Emphasis of Matter made by the Auditors.

Secretarial Auditor's Report

In terms of Section 204 of the Companies Act, 2013 and the Rules made there under, M/s Ranjeet Pandey & Associates, Practising Company Secretaries, had been appointed as the Secretarial Auditors of the Company for the financial year 2017-18. The Secretarial Auditor's Report for the FY 2017-18 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as **Annexure - III** to this Report. The contents of the said report are self-explanatory and no further comments / explanations are called for.

Notes to the Financial Statements

All the Notes to the Financial Statements for the Financial Year under Report are self-explanatory and do not require any further comments/remarks from your Directors unless otherwise disclosed herein.

Details in respect of Adequacy of Internal Financial Controls with reference to the Financial Statements

The Company's management is responsible for establishing and maintaining an adequate system of internal controls over financial reporting. Accordingly, the management has laid down internal financial controls to be followed by the Company in line with the guidance notes issued by the Institute of Chartered Accountants of India and such policies and procedures to be adopted by the Company for ensuring efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of financial information. The internal controls are commensurate with the size, scale and complexity of your Company's operations and facilitate prevention and timely detection of any irregularities, errors and frauds. The internal controls are continuously assessed and improved/modified to meet changes in business conditions, statutory and accounting requirements.

Significant and Material Orders passed by the Regulators or Courts impacting the Going Concern Status

There are no significant and material order(s) passed by any of the Regulators or courts or tribunals which could impact the going concern status of the company and its future operations.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo required to be disclosed as per the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is set out in **Annexure-IV** forming part of this Report.

Contracts or Arrangements with Related Parties

All related party transactions that were entered into by your Company during the financial year under Report were at arms' length basis and were in the ordinary course of the business of the Company, details of such transactions with Related Parties are provided under Note No. 38 in the accompanying financial statements. Accordingly, the requisite disclosure of

related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is provided under AOC-2 and set out in **Annexure-V** forming part of this Report. All the related party transactions are presented to the Audit Committee and the Board of Directors. The related party transactions entered into by the Company which were not in ordinary course of business, as aforesaid, were undertaken by the Company after obtaining the requisite approvals of Audit Committee, Board of Directors, and shareholders of the Company, as the case may be.

A statement of all the related party transactions is presented before the Audit committee and Board on a quarterly basis, specifying the nature and value of these transactions.

Also, pursuant to the Ministry of Corporate Affairs' (MCA) Notification dated 14th December 2015, the Board of Directors of the Company (in its meeting held on 2nd March 2016) laid down the broad criteria for the Audit Committee towards granting omnibus approval to the related party transactions. Based on that, the Audit Committee (on 31st March 2017) had granted its omnibus approval to all the related party transactions for the FY 2017-18.

Particulars of Employees

The information required under Section 134 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time and as in force on the date of Report) and any other applicable provisions of the Companies Act, 2013 and rules made thereunder, in respect of employees of the Company, is provided in **Annexure-VI** forming part of this Report.

Documents placed on the Website (www.xerox.com/india)

The following documents have been placed on the Company's website in compliance with the Act:

- Business Ethics & Vigil Mechanism Policy for directors and employees to report genuine concerns as per proviso to section 177(10);
- The terms and conditions of appointment of Independent Directors as per Schedule IV to the Act;
- Business Ethics and Code of Conduct;
- Policy under Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
- Corporate Social Responsibility Policy; and
- Nomination and Remuneration Policy

Subsidiaries/ Joint Venture/ Associate

Your Company does not have any subsidiary/ joint venture/ associate company.

Share Capital

Your Company has only one class of share viz. equity share with a face value of Rs. 10/- each. During the year under review, there is no change in the issued, subscribed and paid-up capital of your Company. The outstanding capital as on 31st March 2018 is Rs. 4480.80 Lacs comprising 4,48,08,000 equity shares of Rs. 10/- each.

Transfer of Shares

In terms of Regulation 3(ii)(5) of RBI/2014-15/129 A.P.(DIR Series) Circular No. 4; dated July 15, 2014, during the year under Report, M/s Modi Rubber Limited, Superior Investment (India) Ltd., Swasth Investment Pvt. Ltd., and K.K. Modi Investment and Financial Services Pvt. Ltd., holding an aggregate of 3300320 equity shares (constituting an aggregate of 7.37% shareholding) sold their shares to M/s Xerox Investments Europe B.V., Netherlands, in a negotiated deal based on the required valuation carried out by an independent agency namely B S R & Associates LLP, Chartered Accountants. The valuation was carried out on internationally accepted valuation methodologies as stipulated by the Reserve Bank of India. By this transaction, the present shareholding of M/s Xerox Investments Europe B.V. in your Company stands at 7.37% as on 31st March 2018 and the said entity forms part of the "Promoter Group Company" having Xerox Corporation as its ultimate parent. As a result of this, the promoters' shareholding in your Company aggregates to 96.66% as on 31st March 2018.

Extract of Annual Return

In accordance with Section 134(3)(a) of the Act, an extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 is enclosed as **Annexure-VII** in the prescribed Form MGT-9 and forms part of this Report.

Compliance of Secretarial Standards

During the year under Report, the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, including any amendments/substitution thereof, have been duly followed by the Company.

Events occurring after Balance Sheet Date

There were no significant event that occurred after the Balance Sheet Date.

Remote e-Voting and Ballot Voting at AGM

To enable the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged NSDL to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on 14th September 2018, shall be eligible to participate in the e-voting.

The facility for voting through ballot/polling slips will also be made available at the AGM venue and the members who have not cast their votes by remote e-voting can exercise their vote at the AGM.

General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no such events/ transactions on these items during the year under review:

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

Acknowledgements

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to earn profits in the financial year under report.

Your Directors would also like to acknowledge the continued contribution and support by Xerox Corporation, United States (parent company) to your Company in providing the latest equipments with technological improvements and marketing strategy inputs across almost all segments of the business in which it operates. This has enabled the Company to provide higher levels of consumer satisfaction through continuous improvement in existing products and introduction of new products as well.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its customers, alliances and channel partners, suppliers, banks and others associated with the Company.

The Directors also take this opportunity to thank all the Shareholders, Government and Regulatory Authorities, for their continued support.

Cautionary Statement

Statements in the Annual Report, particularly those which relate to the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

For and on behalf of Board of Directors

RAJ KUMAR RISHI

Managing Director

DIN: 07979575

RODNEY NOONOO

Director

DIN: 07690361

Gurugram

23rd July 2018

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Corporate Social Responsibility (CSR) has been a voluntary and long-standing commitment at Xerox India.

The CSR Policy of the Company sets the framework guiding its CSR activities. It outlines the governance structure, operating framework, monitoring mechanism, and CSR activities that would be undertaken. The CSR committee is the governing/overseeing body that articulates the scope of CSR activities and ensures compliance with the CSR Policy. The Company's CSR activities are largely focused in the areas of education, health, skill development and environmental development and other activities as the Company may choose to select in fulfilling its CSR objectives.

Objective

The broad objectives as stated in your Company's CSR policy are:

- i) To directly or indirectly take up programs that benefit the communities in and around the Company's workplace and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- ii) To generate through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity and as a good corporate citizen.
- iii) Ensure commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders.

Focus Areas

Our CSR activities are focussed on the following areas:

1. Literacy and Empowerment
2. Promoting Education
3. Skill Training and Livelihood Enhancement
4. Health care
5. Environmental Sustainability

For more details on Company's CSR policy, visit https://www.xerox.com/downloads/dl/ind/en/i/ind_social_responsibility.pdf

Composition of CSR Committee

The Company has also constituted a Board-level Corporate Social Responsibility (CSR) Committee to govern/oversee the implementation of the CSR policy. The CSR committee is presently comprised of Mr. Rodney Noonoo, Non-executive Director (Chairman); Mr. Rishi Kant Srivastava, Independent Director (Member); Mr. Raj Kumar Rishi, Managing Director (Member); and Mr. David B. Dyas, Non-executive Director (Member).

Financial Details

As per Section 135 of the Companies Act, 2013, the Company was required to spend Rs. 75.43 Lacs towards CSR activities and the Company's spent on CSR activities (including amount of committed liability/obligation) for the FY 2017-18 amounted to Rs.75.55 Lacs.

The financial details as required under the provisions of the Companies Act, 2013 are as follows:

Particulars	₹ In Lacs (except as marked)
1. Average net profit of the company for last three financial years:	Rs. 3771.46 Lacs
2. Prescribed CSR expenditure (two per cent of the amount as in item 1 above):	Rs. 75.43 Lacs
3. Details of CSR spent during the financial year 2017-18:	
(a) Total amount spend for the financial year :	75,55,758/- *
(b) Amount unspent, if any: N.A.	

Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where Project or Programme was under taken	Amount outlay (budget) project or programme -wise	Amount spent on the projects or programs: Sub-heads: (1) Direct expenditure on Project or Programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing authority
1.	Strengthening the learning and development of underprivileged children in the area of education, health, and gender through Sports for Development approach, leading to a positive behaviour change	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Delhi & NCR	706,255/-	Direct: 7,06,255/-	7,06,255/-	Through Magic Bus India Foundation
2.	Donation of Printers to NGOs and other needy organisations	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Delhi & NCR	10,00,000/-	Direct: 6,23,978/- Direct: 2,53,026/- Direct: 1,40,709/-	10,17,713/- (rounded off)	Through Dr. A. V. Baliga Memorial Trust Through Samarpan Foundation Through World Wide Fund for Nature-India (WWF-India)
3.	Developing awareness, appreciation & understanding among children of underprivileged schools about environment thereby promoting ecological consciousness and responsibility towards environment through interactive sessions comprising of Nature Trails & Workshops	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Delhi & NCR	5,66,000/-	Direct: 5,66,000/-	5,66,000/-	Through World Wide Fund for Nature-India (WWF-India)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where Project or Programme was under taken	Amount outlay (budget) project or programme-wise	Amount spent on the projects or programs: Sub-heads: (1) Direct expenditure on Project or Programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing authority
4.	Imparting skill training to underprivileged women in tailoring and stitching and their basic literacy, thereby enhancing their confidence level and financial self-dependence	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Delhi & NCR	14,65,830/-	Direct: 10,65,830/- (inclusive of committed liability of Rs. 4,00,000/-)	14,65,830/-	Through Samarpan Foundation
5.	Making available affordable health services to the underprivileged women and children at their doorstep with community sensitization to promote health seeking behavior thereby providing both preventive and curative healthcare services in the National Capital Region	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Delhi & NCR	22,99,960/-	Direct: 14,99,960/- (inclusive of committed liability of Rs. 8,00,000/-)	22,99,960/-	Through Dr. A.V. Baliga Memorial Trust
6.	Setting up of Non-formal Education Centers in the target communities of children of labourers and migrants living in slums, to cover the basic contents of the first 4-grades of the formal primary school curriculum; objective is to mainstream the children to the appropriate classes in the nearby Government/ formal school; to enroll drop-outs in formal education; to provide life-skill education; to raise social and preventive health awareness among children and their parents	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Delhi & NCR	10,00,000/-	Direct: 10,00,000/- (inclusive of committed liability of Rs. 10,00,000/-)	10,00,000/-	Through Association for Blindness and Leprosy Eradication (ABLE Charities)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify the State and District where Project or Programme was under taken	Amount outlay (budget) project or programme -wise	Amount spent on the projects or programs: Sub-heads: (1) Direct expenditure on Project or Programmes (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing authority
7.	Contribution made to the Prime Minister's National Relief Fund (PMNRF)	Contribution made to the Prime Minister's National Relief Fund (PMNRF)	Prime Minister's National Relief Fund (PMNRF)	5,00,000/-	Direct: 5,00,000/-	5,00,000/-	Direct contribution to the Prime Minister's National Relief Fund

* inclusive of Rs. 22,00,000/- as amount committed/provided for under MoUs/Agreements entered into by the Company (during FY 2017-18) with aforesaid Agencies towards its ongoing CSR activities

In case the company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee hereby affirm that the CSR Policy (as approved by the Board) has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

RAJ KUMAR RISHI

Managing Director

DIN: 07979575

Gurugram

17th July 2018

RODNEY NOONOO

Chairman (CSR Committee)

DIN: 07690361

Uxbridge

17th July 2018

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel's (KMP's) and employees of the Company based on skill, experience, industry standards and Company's performance, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of prevailing provisions of the Companies Act, 2013, Nomination and Remuneration Policy (hereinafter referred to as the "Policy") for Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

Objective and purpose of the Policy:

The objective and purpose of this policy are:

- To lay down criteria and terms & conditions with regard to identifying person(s) who are qualified to become Directors (both Executive and Non-Executive) and persons who may be appointed in Senior management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the sector engaged in the business of trading of Xerographic equipments. In addition to above, experience of concerned person(s) or contribution to achieve the Company's objective will also be considered.
- To carry out evaluation of the performance of Company's Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations and growth.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Managerial person(s) & employee(s) and create competitive advantage.

Considering the aforesaid objective, future prospect and growth of the Company, this Policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 03 March, 2015.

The key features of the Nomination & Remuneration Policy are as under:

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- ii) Identify person(s) who are qualified and eligible to become Director (Executive, Non-Executive viz. Independent or Non-Independent) and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy.
- iii) Recommend to the Board, appointment and removal of Director, KMP's and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP's AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- i) Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person(s) for appointment as Director, KMP's or at Senior Management level and recommend to the Board his / her appointment.
- ii) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position in the best interest of the Company.
- iii) The Company shall not appoint or continue the employment of any person as Managing Director/Whole time Director who has attained the age of seventy years (70 years). Provided however that the term of the person holding such position may be extended beyond the age of seventy years (70 Years) with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

• Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

• Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided however that an Independent Director shall not, during the said period

of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Evaluation of Performance:

The Committee shall carry out evaluation of performance of every Director, KMP's and Senior Management personnel at regular interval.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013 & rules made thereunder or under any other applicable Act, rules and regulations or otherwise as the Committee and Board may think fit in the best interest of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of any Director, KMP's or Senior Management Personnel subject to the provisions and compliance of the applicable Act, rules and regulations made there under.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP's, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the best interest and benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

General:

- i) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director and KMP's will be determined by the Committee and recommended to the Board for approval. However, the remuneration/ compensation / commission etc. to the Managing Director and Whole-time Director, shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. Appointment of Senior Management Personnel including their remuneration to be finalized by the Managing Director of the Company and in absence of MD, by CFO of the Company.
- ii) The remuneration and commission to be paid to the Managing Director and/or Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under.
- iii) Increments to the existing remuneration / compensation

structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director and/ or Whole-time Director subject to the provisions of the Companies Act, 2013 and rules & regulations made thereunder. Increments will be effective from the date as may be decided by the Board in line with recommendation of Committee.

- iv) Where any insurance is taken by the company on behalf of its Managing Director(s), Whole-time Director(s), Chief Executive Officer, Chief Financial Officer, Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided however that if such person is proved to be guilty, the premium paid towards such insurance policy shall be treated as part of the remuneration.
- v) Remuneration to Managing Director/Whole-time Director/ Executive Director, KMP's and Senior Management Personnel:

a) Fixed Remuneration/Salary/Compensation:

Managing Director/ Whole-time Director / KMP's shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, other perquisites etc. shall be decided and approved by the Board on the recommendation of the Committee. Provided however Remuneration to Managing Director/ Whole time Director/ Executive Director shall be approved by the shareholders and Central Government, wherever required. Remuneration of Senior Management Personnel to be finalized by the Managing Director of the Company and in absence of MD, by CFO of the Company.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director and/or Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Executive Director/ Managing Director/ Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

D) Remuneration to Non-Executive / Independent Director:**Remuneration and commission:**

The remuneration / commission, if applicable, shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as may be approved by the Board from time to time. Provided however that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013, as recommended by the Committee and approved by the Board.

Stock Options:

An independent Director shall not be entitled to any stock option of the Company.

E) Stock Option

Stock options in the form of ESOP/ESOS may be given by the Company to the Directors/KMPs and/or other employees of the Company as per scheme framed by the Company from time to time in terms with provisions of Section 62, Section 149 and all other applicable provisions, if any, of the Companies Act, 2013 and Articles of Association of the Company. Provided however that Independent Directors shall not be eligible to participate in ESOP scheme of the Company.

For more details on Company's Nomination and Remuneration policy, visit <https://www.xerox.com/downloads/dl/ind/en/n/IndiaNominationRemunerationPolicy.pdf>

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ANNEXURE-III

Secretarial Audit Report

For the financial year ended on 31st March, 2018

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Members,
Xerox India Limited,
5th Floor, Block One, Vatika Business Park,
Sector-49, Sohna Road,
Gurgaon-122018, Haryana**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Xerox India Limited**” (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **Xerox India Limited’s** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and as reported herein.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- iv) The Legal Metrology Act, 2009 and rules made thereunder (specifically applicable legislation to the Company, being engaged in the business of trading of xerographic equipments, multifunction devices etc.)

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors (including Woman Director) and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Ms. Daniela Cosette Untescu resigned (effective 1st April 2017) as the Woman Director at the Board Meeting held on 25th April, 2017 and Ms. Lisa Marie Oliver was appointed as the Woman Director at the adjourned Board Meeting held on 10th August, 2017.

Adequate notice has been given to all directors to schedule the Board Meetings including committee meetings during the financial year under review, agenda and detailed notes on agenda were sent within prescribed timeline, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not carried out any specific events/actions having a major bearing on the company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**FOR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES**

Sd/-

Place: NEW DELHI

CS RANJEET PANDEY

Date: 18/07/2018

FCS- 5922, CP No.- 6087

This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.

To,

**The Members,
Xerox India Limited,
5th Floor, Block One, Vatika Business Park,
Sector-49, Sohna Road,
Gurgaon-122018, Haryana**

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR RANJEET PANDEY & ASSOCIATES
COMPANY SECRETARIES**

Sd/-

**CS RANJEET PANDEY
FCS- 5922, CP No.- 6087**

**Place: NEW DELHI
Date: 18/07/2018**

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ANNEXURE-IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

A. Conservation of Energy

- a. The operations of the Company, being IT related, require normal consumption of electricity.
- b. Disclosure of particulars with respect to conservation of energy

The Company has been taking every necessary step to reduce the consumption of energy, significant among these during the financial year under report are covered under "Initiatives on Sustainability from the Company" in the Board's Report. Additionally, during the year under Report, following are the steps taken by your company w.r.t. energy conservation:

- During FY 2017-18, we have replaced all CFL lights by LED lights at the Registered Office of the Company at 5th floor, Vatika Business Park, Gurugram. This has given us a saving of 20,000 units (Approx.) per year. Yearly cost saved INR 1,54,000.
 - All CFL lights of Mumbai office also replaced by LED lights from 60 CFL lights to 33 LED lights. Total 4,320 watts consumption reduced to 1,188 watts.
- c. The steps taken by the company for utilising alternate sources of energy: Nil, the focus has only been on energy conservation.
 - d. the capital investment on energy conservation equipments: Nil

B. Technology Absorption

Disclosure of particulars with respect to technology Absorption is covered under "initiatives on Sustainability from the Company" in the Board's Report (to the extent applicable).

C. Foreign Exchange Earnings and Outgo

Foreign exchange earnings and outgo during the year under review were Rs. 11,531.36 lacs (previous year Rs. 10,402.35 Lacs) and Rs. 2442.95 lacs (previous year Rs. 908.91 lacs), respectively.

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FORM NO. AOC-2**(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: None

a.	Name(s) of the related party and nature of relationship	NIL
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts/arrangements/transactions including the value, if any	
e.	Justification for entering into such contracts/arrangements/ Transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

a.	Name(s) of the related party and nature of relationship	Xerox Technology Services India LLP, Bangalore (India); a group entity having common ultimate parent/holding company/promoters
b.	Nature of contracts/arrangements/transactions	(i) Providing management services to Xerox Technology Services India LLP ("XTSI") and receiving management services from XTSI vide an inter-company "Services Agreement" dated 31 st July 2017; and (ii) XTSI sharing of office space with the Company at 6 th Floor, Block One, Vatika Business Park, Sector 49, Sohna Road, Gurugram, Haryana, vide "Permission to use office space" dated 2 nd May 2017.
c.	Duration of the contracts/arrangements/transactions	Services Agreement: Initial period of Three (3) years and thereafter for successive One (1) year period Permission to Use Office Space: Initial period of Eleven (11) months, extendible for a period of Eleven (11) months at a time
d.	Salient terms of the contracts/arrangements/ transactions including the value, if any	As per the "Services Agreement" (dated 31.07.2017) and "Permission to Use Office Space" (dated 02.05.2017).
e.	Date(s) of approval by the Board, if any	25.04.2017
f.	Amount paid as advances, if any	N.A.

For and on behalf of Board of Directors

RAJ KUMAR RISHI
Managing Director
DIN : 07979575

RODNEY NOONOO
Director
DIN : 07690361

Gurugram
23rd July 2018

ANNEXURE-VI

Statement pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Board's Report for the year ended March 31, 2018

Names of Top 10 employees of the Company in terms of remuneration drawn

Sl. No.	Name	Designation	Educational Qualification	Experience (in years)	Remuneration (in ₹)	Previous Employment & Designation
1.	Ashraf M.A. Elarman	Managing Director	Graduate	28	4,75,39,356/-	Xerox Egypt
2.	Raj Kumar Rishi	Managing Director	BE	29	1,64,38,560/-	HP Inc
3.	Balaji Rajagopalan	Executive Director-Technology & Channels	DEE, MBA (Mktg. & Intl. Business)	35	1,49,41,094/-	Indian Reprographic Systems (P) Ltd.
4.	Deepika Chaudhry	Executive Director-Legal	LLB, B.Sc	27	1,40,71,799/-	Microsoft India
5.	Kanchan Chehal	Executive Director-HR, Asia Pacific	BA, PGDBM	21	1,31,16,828/-	GAP Inc
6.	Masato Yagi	General Manager-Business Development (Japanese Accounts)	Graduate	17	1,29,00,093/-	Fuji Xerox Co. Ltd.
7.	Satpreet Singh	Chief Financial Officer	CA, B.Com	21	1,06,33,846/-	Verifone India Sales Pvt. Ltd.
8.	Anurag Gupta	Director-Customer Service Operations	B.Sc.	33	85,39,877/-	Tata Teleservices Ltd.
9.	Rajiv Luthra	Head – Office Business	PGDBA, B.Com	32	83,60,415/-	Videocon Telecommunications Ltd.
10.	Ritesh Gandotra	Director-GDO Sales	Exec. Masters in International Business, B.Tech.	21	82,08,124/-	IBM India Pvt. Ltd.

Employees employed throughout the financial year 2017-18 who were in receipt of an aggregate remuneration equal to or exceeding Rs. 1,02,00,000/- per annum:

Sl. No.	Name of the Employee/Director	Designation	Remuneration received (in ₹)	Nature of Employment (whether contractual or permanent)	Qualifications & Experience (in Years)	Date of commencement of employment with the Company	Age (in Years)	Last employment held before joining the Company
1.	Balaji Rajagopalan	Executive Director - Technology & Channels	1,49,41,094	Permanent	DEE, MBA (Mktg. & Intl. Business); (35 years)	01.11.1983	54	Indian Reprographic Systems (P) Ltd.
2.	Deepika Chaudhry	Executive Director - Legal	1,40,71,799	Permanent	LLB, B.Sc; (27 years)	22.07.2013	52	Microsoft India
3.	Kanchan Chehal	Executive Director - Human Resources, Asia Pacific	1,31,16,828	Permanent	BA, PGDBM; (21 years)	24.11.2014	43	GAP Inc.
4.	Satpreet Singh	Chief Financial Officer	1,06,33,846	Permanent	CA, B.Com; (21 years)	06.03.2012	48	Verifone India Sales Pvt. Ltd.

Employees employed for part of the financial year 2017-18 who were in receipt of a remuneration for any part of the financial year 2017-18, at a rate which, in the aggregate, was not less than Rs. 8,50,000/- per month:

Sl. No.	Name of the Employee/Director	Designation	Remuneration received (in ₹)	Nature of Employment (whether contractual or permanent)	Qualifications & Experience (in Years)	Date of commencement of employment with the Company	Age (in Years)	Last employment held before joining the Company
1	Ashraf M.A. Elarman *	Managing Director	4,75,39,356	Permanent	Graduate; (28 years)	22.06.2015	53	Xerox Egypt
2	Raj Kumar Rishi	Managing Director	1,64,38,560	Permanent	BE; (29 Years)	15.12.2017	53	HP Inc
3	Kazunaga Tanaka	General Manager - Business Development (Japanese Accounts)	16,93,796	Permanent	BBA; (18 Years)	26.02.2018	41	Fuji Xerox Co. Ltd.
4	Masato Yagi#	General Manager - Business Development (Japanese Accounts)	1,29,00,093	Permanent	Graduate; (17 Years)	27.10.2014	41	Fuji Xerox Co. Ltd.

* Date of cessation of employment: 31.12.2017

Date of cessation of employment: 31.12.2017

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ANNEXURE-VII

FORM NO. MGT-9

Extract of Annual Return

as on the financial year ended on 31st March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN - **U72200HR1995PLC049183**
- ii) Registration Date - 29th December 1995
- iii) Name of the Company - **Xerox India Limited**
- iv) Category/Sub-Category of the Company - Public Company Limited by Shares / Non-Government Company
- v) Address of the Registered Office and Contact Details - **Xerox India Limited**
5th Floor, Block One, Vatika Business Park,
Sector 49, Sohna Road, Gurugram - 122018, Haryana
Tel: +91 124 4463000 | Fax: +91 124 4463111
email: askus@xerox.com
- vi) Whether Listed Company (Yes / No) - No
- vii) Name, Address and Contact Details of Registrar and Transfer Agent, if any - **M/s. MCS Share Transfer Agent Limited**
Regd. Office: 12/1/5 Manoharpukur Road, Kolkata – 700026
Tel: +91 33 40724051 | Fax: +91 33 40724050
Regional Office: F-65, 1st Floor, Okhla Industrial Area,
Phase – I, New Delhi - 110020
Tel: +91 11 41406149 | Fax: +91 11 41709881
email: mcssta@rediffmail.com / admin@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and description of main products / services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Trading in Xerographic Equipments & its Consumables, Multi-Function Devices, Laser Printers, Paper; and Provision of After Sales Services therefor under the following Segments contributing 10% or more of the total turnover of the Company for the financial year under Report:	46591, 82191, 82199, 33129, 17093	
	(a) Global Document Outsourcing		19.08
	(b) Office		19.16
	(c) Graphic Communications		34.09
	(d) Other Support Services		12.47

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Xerox Corporation 201 Merritt 7, Norwalk, Connecticut 06851 United States	Not Applicable	Holding	Nil	2(46) & 2(69) r/w 2(87) of Companies Act, 2013
2.	Xerox limited, UK Bridgehouse, Oxford Road, Uxbridge, Middlesex UB8 1HS	Not Applicable	Holding	45.58%	2(46) & 2(69) r/w 2(87) of Companies Act, 2013
3.	XC Trading Singapore Pte. Ltd. 80, Anson Road, Singapore	Not Applicable	Holding	39.29%	2(46) & 2(69) r/w 2(87) of Companies Act, 2013
4.	Xerox Investments Europe B.V. De Corridor 5, Breukelen, 3621 ZA, The Netherlands	Not Applicable	Holding	7.37%	2(46) & 2(69) r/w 2(87) of Companies Act, 2013
5.	Xerox Developing Markets Ltd. Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda	Not Applicable	Holding	4.42%	2(46) & 2(69) r/w 2(87) of Companies Act, 2013

IV . SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i. Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	0	0	0	NA	0	0	0	NA	NA
(b) Central Government	0	0	0	NA	0	0	0	NA	NA
(c) State Government(s)	0	0	0	NA	0	0	0	NA	NA
(d) Bodies Corporate(s)	0	0	0	NA	0	0	0	NA	NA
(e) Banks/Fls	0	0	0	NA	0	0	0	NA	NA
(f) Any Other	0	0	0	NA	0	0	0	NA	NA
Sub-total (A)(1): -	0	0	0	NA	0	0	0	NA	NA
(2) Foreign									
(a) NRIs-Individuals	0	0	0	NA	0	0	0	NA	NA
(b) Other-Individuals	0	0	0	NA	0	0	0	NA	NA
(c) Bodies Corporate(s)	0	40010707	40010707	89.29	0	43311027	43311027	96.66	(+)7.37
(d) Banks/Fls	0	0	0	NA	0	0	0	NA	NA
(e) Any Other	0	0	0	NA	0	0	0	NA	NA
Sub-total (A)(2):-	0	40010707	40010707	89.29	0	43311027	43311027	96.66	(+)7.37
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	0	40010707	40010707	89.29	0	43311027	43311027	96.66	(+)7.37
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	1538	1538	0.0034	0	1538	1538	0.0034	NIL
(b) Banks/Fls	0	10254	10254	0.0229	0	10254	10254	0.0229	NIL
(c) Central Government	0	0	0	0	0	0	0	0	NIL
(d) State Government(s)	0	0	0	0	0	0	0	0	NIL
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
(f) Insurance Companies	39746	622	40368	0.0901	39746	622	40368	0.0901	NIL
(g) Flls	0	1711	1711	0.0038	0	1711	1711	0.0038	NIL

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
(i) Others (specify)	0	0	0	0	0	0	0	0	NIL
Sub-total (B)(1):-	39746	14125	53871	0.1202	39746	14125	53871	0.1202	NIL
2. Non-Institutions									
(a) Bodies Corporate									
i) Indian	3302426	532066	3834492	8.56	3060	531112	534172	1.192	(-) 7.37
ii) Overseas	0	0	0	0	0	0	0	0	NIL
(b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	17245	762820	780065	1.741	20883	759182	780065	1.741	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	125238	125238	0.28	0	125238	125238	0.28	NIL
(c) Others:									
Non-Resident Individual	0	3627	3627	0.0081	0	3627	3627	0.0081	NIL
Sub-total (B)(2):-	3319671	1423751	4743422	10.59	23943	1419159	1443102	3.22	(-) 7.37
Total Public Shareholding (B) = (B)(1) + (B)(2)	3359417	1433876	4797293	10.71	63689	1433284	1496973	3.34	(-) 7.37
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	NA	0	0	0	NA	NA
Grand Total (A+B+C)	3359417	41448583	44808000	100.00	63689	44744311	44808000	100.00	NA

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Cumulative Shareholding during the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	
1	Xerox Limited	20423200	45.58	Nil	20423200	45.58	Nil	Nil
2	XC Trading Singapore Pte. Ltd.	17606706	39.29	Nil	17606706	39.29	Nil	Nil
3	Xerox Developing Markets Ltd.	1980801	4.42	Nil	1980801	4.42	Nil	Nil
4	Xerox Investments Europe B.V.	Nil	N.A.	N.A.	3300320	7.37	Nil	(+) 7.37

iii. **Change in Promoters' Shareholding (please specify, if there is no change):**

There is a change in promoter's shareholding during FY 2017-18 on account of an purchase of an aggregate 33,00,320 (Thirty Three Lacs Three Hundred & Twenty) equity shares by Xerox Investments Europe B.V. (subsidiary of Xerox Corporation) from Modi Rubber Ltd, Superior Investment (India) Ltd., Swasth Investment Pvt. Ltd., and K.K. Modi Investment And Financial Services Pvt. Ltd., these selling entities were the shareholders of the Company.

Sl. No.	Particulars	Shareholding at the beginning of the year (01.04.2017)		Date	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company			No. of Shares	% of Total Shares of the Company
1.	At the beginning of the year (on 1st April 2017)	40010707	89.29				
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for the increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.):			13.11.2017	Purchased from resident shareholders*	3300320	7.37
3.	At the end of the year (on 31st March 2018)	43311027	96.66	43311027	96.66	43311027	96.66

* Purchased an aggregate 3300320 equity shares on account of sale/transfer from Modi Rubber Limited (3137000 equity shares), Superior Investment (India) Ltd. (95000 equity shares), Swasth Investment Pvt. Ltd. (4160 equity shares) and K.K. Modi Investment And Financial Services Pvt. Ltd. (64160 equity shares)

iv. **Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Remarks	Date	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	Modi Rubber Limited	At the beginning of the year	01.04.2017	3137000	7.00		
		At the end of the year	31.03.2018			0	N.A.
2.	Damani Estates & Finance Pvt. Ltd.	At the beginning of the year	01.04.2017	344488	0.76		
		At the end of the year	31.03.2018			344488	0.76
3.	Superior Investment (India) Limited	At the beginning of the year	01.04.2017	95000	0.21		
		At the end of the year	31.03.2018			0	N.A.
4.	Your Investment (India) Limited	At the beginning of the year	01.04.2017	95000	0.21		
		At the end of the year	31.03.2018			95000	0.21
5.	Radhakishan S Damani	At the beginning of the year	01.04.2017	75757	0.17		
		At the end of the year	31.03.2018			75757	0.17

Sl. No.	Name	Remarks	Date	Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
6.	K K Modi Investment and Financial Services Pvt. Ltd.	At the beginning of the year	01.04.2017	64160	0.14		
		At the end of the year	31.03.2018			0	N.A.
7.	Toplight Corporate Management Pvt. Ltd.	At the beginning of the year	01.04.2017	48179	0.11		
		At the end of the year	31.03.2018			48179	0.11
8.	The Oriental Insurance Company Limited	At the beginning of the year	01.04.2017	39746	0.09		
		At the end of the year	31.03.2018			39746	0.09
9.	Rakesh Jhunjhunwala	At the beginning of the year	01.04.2017	33366	0.07		
		At the end of the year	31.03.2018			33366	0.07
10.	Vipul Priyakant Dalal	At the beginning of the year	01.04.2017	12468	0.027		
		At the end of the year	31.03.2018			12468	0.027
11.	Ajay J. Doshi	At the beginning of the year	01.04.2017	12000	0.027		
		At the end of the year	31.03.2018			12000	0.027
12.	Bright Star Investments Pvt. Ltd.	At the beginning of the year	01.04.2017	11794	0.026		
		At the end of the year	31.03.2018			11794	0.026
13.	Shrikantadevi R Damani	At the beginning of the year	01.04.2017	10246	0.023		
		At the end of the year	31.03.2018			10246	0.023

Notes: The details of shareholding, given above, is from 01-Apr-2017/the date of entering the Top 10 shareholders list till 31-Mar-2018 / the date of leaving Top 10 shareholders list.

The above details are given as on 31st March, 2018. The Company is an unlisted company and 0.14% shareholding is in dematerialized form. Under the Depository system, the International Security Identification Number (ISIN) allotted to the Company's shares is INE034E01013.

The aforesaid holdings by top ten shareholders did not undergo any change except as mentioned above.

The Company has not allotted/transferred or issued any bonus or sweat equity shares during the year under Report.

v. Shareholding of Directors and Key Managerial Personnel

Directors and Key Managerial Personnel of the Company do not have any shareholding in the Company.

V. Indebtedness

The Company has not availed any loan during the year under review.

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans (Inter- corporate Deposits)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.No.	Particulars of the Remuneration	Name of MD/WTD/Manager		Total Amount
		Ashraf M.A. Elarman *	Raj Kumar Rishi **	
1.	Gross Salary:			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,72,74,640	1,62,21,454	4,34,96,094
(b)	Value of Perquisites u/s 17(2) of Income Tax Act, 1961	1,60,84,173	Nil	1,60,84,173
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	N.A.	N.A.	N.A.
2.	Stock Option	N.A.	N.A.	N.A.
3.	Sweat Equity	N.A.	N.A.	N.A.
4.	Commission	N.A.	N.A.	N.A.
	- As % of profit			
	- Others, specify			
5.	Others, please specify	N.A.	N.A.	N.A.
	Total (A)	4,33,58,813	1,62,21,454	5,95,80,267
	Ceiling as per the Act	As per the applicable provisions of the Companies Act, 2013 and Rules made thereunder		

* For the period 1st April 2017 to 31st December 2017, i.e. till the date of cessation of the office as the Managing Director of the Company

** For the period commencing 15th December 2017 to 31st March 2018 in the capacity as the Managing Director of the Company. The amount includes one time joining bonus of ₹ 73,09,000/- and transitional cost of ₹ 20,00,000/-

B. Remuneration to other directors:

Sl. No.	Particulars of the Remuneration	Name of Directors						Total Amount	
1.	Independent Directors	Prakash Kulathu Iyer	Rishi Kant Srivastava						
	Fee for attending Board/ Committee meetings	1600000	1700000					3300000	
	Commission	Nil	Nil					Nil	
	Others, please specify	Nil	Nil					Nil	
	Total (1)	1600000	1700000					3300000	
2.	Other Non-Executive Directors			Rajat Kumar Jain*	Ashraf M.A. Elarman [#]	Lisa Marie Oliver [§]	David Brian Dyas	Rodney Noonoo	Total Amount
	Fee for attending Board/ Committee meetings			600000	NA	NA	NA	NA	NA
	Commission			Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify			Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)			600000	Nil	Nil	Nil	Nil	600000
	Total (B) (1+2)	1600000	1700000	600000	Nil	Nil	Nil	Nil	3900000
	Total Managerial Remuneration								6,34,80,267
	Overall Ceiling as per the Act[@]								

[@] Fee for attending Board/Committee meetings is as per Section 197 of the Companies Act, 2013, as decided by the Board

* Rajat Kumar Jain ceased to be the director of the Company effective 31st December 2017

[#] Ashraf M.A. Elarman is acting as a Non-Executive Director effective 1st January 2018

[§] Lisa Marie Oliver has been inducted on Board effective 10th August 2017

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of the Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
		N.A.	Rajiv L. Jha	Satpreet Singh	
1.	Gross Salary:				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		3343065	9780005	13123070
	(b) Value of Perquisites u/s 17(2) of Income Tax Act, 1961		8100	29700	37800
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961		0	0	0
2.	Stock Option		N.A.	N.A.	N.A.
3.	Sweat Equity		N.A.	N.A.	N.A.
4.	Commission				
	- As % of profit		N.A.	N.A.	N.A.
	- Others, specify		N.A.	N.A.	N.A.
5.	Others, please specify		N.A.	N.A.	N.A.
	Total	N.A.	3351165	9809705	13160870

VII. Penalties/Punishment/Compounding of Offences

During the year under Report, there were no instance of any penalty/punishment/compounding of offences involving the Company, its Directors, and other officers in default under the provisions of the Companies Act, 2013.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF XEROX INDIA LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **Xerox India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

8. We draw your attention to Note 41(b), regarding the payment of remuneration to directors in excess of the limits specified in Schedule XIII to the Companies Act, 1956 during the year ended March 31, 2009, for which the Company had since sought clarification from the Central Government on the amount approved by it under sections 309 and 310 of the Companies Act, 1956 and has applied for approval of the excess remuneration of Rs 19.76 lacs. Pending receipt of any clarification/approval from the Central Government, the Company submitted a withdrawal letter with respect to the clarification/approval sought from the Central Government and during the year ended March 31, 2017 recovered the excess amount paid of Rs 19.76 lacs from the parent company on behalf of the concerned managerial personnel. However, on the basis of our understanding and evaluation of the matter, the excess remuneration paid to directors in the previous year ended March 31, 2009 could be in the range of Rs 76.59 lacs to Rs 96.59 lacs.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and except for the indeterminate effects of

adjustments that may arise if the outcome of the matter described in the Basis of Qualified Opinion paragraph above is unfavorable and if the unapproved amounts lie within the range estimate mentioned therein, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 42 (a) of the financial statements in respect of investigation proceedings by Directorate of Enforcement (ED) relating to "Cash and carry wholesale trading" activities undertaken by the Company during the period 2000 to 2003 and consequent non-compliance with the provision of Foreign Exchange Management Act, 1999 outcome of which cannot be reliably estimated pending disposal of the Company's representation to Department of Industrial Policy and Promotion (DIPP).

Our opinion is not qualified in respect of the aforesaid matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, except for the indeterminate effects of the matters referred to in the Basis for Qualified Opinion above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 20 and Note 27;
 - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Rahul Chattopadhyay
Partner
Membership Number 096367

Place : Gurugram
Date : July 23, 2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(g) of the Independent Auditors' Report of even date to the members of Xerox India Limited on the financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Xerox India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Gurugram
Date : July 23, 2018

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Rahul Chattopadhyay
Partner
Membership Number 096367

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditor' Report of even date to the members of Xerox India Limited on the financial statements for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company. Title deeds of leasehold land of Rs 17.56 Lacs and freehold land of Rs 6.49 Lacs, being assets held for sale, as disclosed in Note 3 to the financial statement are in possession of the transferee. Refer Note 43 to the financial statement.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, service tax, professional tax, goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Amount in Rs. lacs

Name of the Statute	Nature of Dispute	Total Demand	Paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	104.98*	-	1995-96	Delhi High Court
Income Tax Act, 1961	Income Tax	430.79	425.95	1997-98	ITAT Delhi
Income Tax Act, 1961	Income Tax	8.63	8.63	1998-99	Assessing Officer
Income Tax Act, 1961	Income Tax	307.15	139.39	2003-04	Assessing Officer
Income Tax Act, 1961	Income Tax	46.83*	-	2004-05	ITAT, Delhi (Revenue Appeal)
Income Tax Act, 1961	Income Tax	29.95	29.95	2005-06	ITAT Delhi
Income Tax Act, 1961	Income Tax	1,849.94	1573.53#	2007-08	ITAT Delhi
Income Tax Act, 1961	Income Tax	3,726.60	2,080.94	2008-09	ITAT Delhi

Amount in Rs. lacs

Name of the Statute	Nature of Dispute	Total Demand	Paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	849.41	242.96	2009-10	ITAT Delhi
Income Tax Act, 1961	Income Tax	184.59	-	2010-11	ITAT Delhi
Income Tax Act, 1961	Income Tax	892.03	-	2011-12	ITAT Delhi
Income Tax Act, 1961	Income Tax	20.56	-	2012-13	CIT(A)
Central Excise Act, 1944	Excise Duty	3572.95*	-	Apr-02 to Nov-06	Supreme court
Central Excise Act, 1944	Excise Duty	3050.14*	37.27	Apr-02 to Nov-06	Central Excise and Service Tax Appellate Tribunal & Supreme court
Central Excise Act, 1944	Excise Duty	525.26	-	Dec-06 to Dec-09	Commissioner of Central Excise, Meerut
Central Excise Act, 1944	Excise Duty	13.20	-	May-08 to Jan-09	Additional Commissioner Central Excise, Meerut
Central Excise Act, 1944	Excise Duty	0.26	-	Jan-10 to Mar-10	Assistant Commissioner of Central Excise, Gangapur-Rampur
Central Excise Act, 1944	Excise Duty	5.11	-	1994-95	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	435.42*	-	26-May-1988 to March 1998	High Court - Allahabad
Chapter V of Finance Act, 1994	Service Tax	3265.95*	#	May 2006 to March 2008	Central Excise and Service Tax Appellate Tribunal
Chapter V of Finance Act, 1994	Service Tax	5079.28*	#	April 2008 to Sep 2011	Central Excise and Service Tax Appellate Tribunal
Chapter V of Finance Act, 1994	Service Tax	140.11	#	August 2002 to Dec 2005	Central Excise and Service Tax Appellate Tribunal
Chapter V of Finance Act, 1994	Service Tax	1629.99*	70.46#	Oct-11 to Jun-12	Central Excise and Service Tax Appellate Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	52.90	-	1999-00 and 2000-01	Hyderabad High Court
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	8.94	-	2004-05	Appellate Tribunal
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	10.22	11.25	Oct-2005	Appellate Deputy Commissioner
Central Sales Tax Act, 1956 (Andhra Pradesh)	Sales Tax	196.89	-	1999-00 & 2000-01	Hyderabad High Court
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	1.85	1.85	2016-17	Assessing Authority
Haryana VAT Act, 2003	Sales Tax	1.17	-	2013-14	Jt. Excise and Taxation Commissioner (Appeals)

Amount in Rs. lacs

Name of the Statute	Nature of Dispute	Total Demand	Paid under protest	Period to which the amount relates	Forum where dispute is pending
Haryana CST Act, 1956	Sales Tax	0.30	-	2013-14	Jt. Excise and Taxation Commissioner (Appeals)
Bihar Finance Act, 1981	Sales Tax	11.77	-	1992-93 & 1993-94	Revision Application Filed with CCT
Bihar Finance Act, 1981	Sales Tax	0.39	-	1994-95	DCCT
Delhi Sales Tax Act, 1975	Sales Tax	13.59	-	2006-07	Additional Commissioner
Delhi Sales Tax Act, 1975	Sales Tax	703.68	108.26	2008-09	Tax Tribunal
Central Sales Tax Act, 1956 (Delhi)	Sales Tax	231.79	-	2010-11	The Commissioner of VAT
Tamilnadu General Sales Tax Act, 1959	Sales Tax	9.48	5.42	2006-07	Joint Commissioner CT, Chennai
Central Sales Tax Act, 1956 (Tamil Nadu)	Sales Tax	12.22	-	2007-08, 2008-09 & 2009-10	Assessing Authority
Maharashtra VAT Act, 2002	Sales Tax	122.03	28.14	2011-12	Joint Commissioner of Sales Tax, (Appeal)
Central Sales Tax Act, 1956 (Maharashtra)	Sales Tax	0.93	0.66	2011-12	Joint Commissioner of Sales Tax, (Appeal)
Maharashtra VAT Act, 2002	Sales Tax	298.49	20.00	2012-13	Joint Commissioner of Sales Tax, (Appeals)
Maharashtra VAT Act, 2002	Sales Tax	141.55	7.00	2013-14	Joint Commissioner of Sales Tax, (Appeals)
Kerala General Sales Tax Act, 1963	Sales Tax	1.73	-	2008-09	Deputy Commissioner, (Appeal Ernakulam)
Central Sales Tax Act, 1956 (Kerala)	Sales Tax	11.72	4.50	2008-09	DCCT, (Appeals) Ernakulam
U.P Trade Tax Act, 1948	Sales Tax	5.54	5.54	2006-07	Tribunal
U.P Trade Tax Act, 1950	Sales Tax	2.50	2.50	2013-14	ACCT Mobile Squad, Jalaun
U.P Trade Tax Act, 1950	Sales Tax	0.21	0.21	2010-11	DCCT, Lucknow
U.P Trade Tax Act, 1950	Sales Tax	0.39	-	2006-07 & Jan-08 to Mar-08	DCCT, Rampur
U.P Trade Tax Act, 1950	Sales Tax	50.06	9.35	2009-10 to 2010-11 & 2013-14	DCCT, Lucknow
U.P Entry tax	Sales Tax	2.86	0.68	2009-10 & 2013-14	DCCT, Lucknow
U.P Entry tax	Sales Tax	1.52	-	Apr-07 to Dec-07 & Jan-08 to Mar-08	DCCT, Rampur
Central Sales Tax Act, 1956 (UP)	Sales Tax	0.03	-	Jan-08 to Mar-08	DCCT, Rampur
Central Sales Tax Act, 1956 (UP)	Sales Tax	390.04	165.44	2009-10, 2010-11	DCCT, Lucknow

Amount in Rs. lacs

Name of the Statute	Nature of Dispute	Total Demand	Paid under protest	Period to which the amount relates	Forum where dispute is pending
U.P Trade Tax Act, 1950	Sales Tax	9.43	6.81	2016-17	DCCT, Lucknow
Rajasthan VAT Tax Act, 2003	Sales Tax	1.41	1.41	1998-99	Assessing Authority
Rajasthan VAT Tax Act, 2003	Sales Tax	1.53	1.53	1998-99	Rectification Application before Appellate authority
Himachal Sales Tax Act	Sales Tax	2.41	2.41	1998-99	Deputy commissioner Excise & Taxation, Parwanoo

Note: The above exclude demands decided in favour of the Company, for which effect yet to be given by the relevant authorities.

* Above includes demand decided in favour of the Company at the appellate authority stage for which the Department has preferred an appeal to the higher authorities.

#Represents demands which has been granted full stay or are under interim stay by the Courts.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Bangalore LLP
Firm Registration Number: 007567S/S-200012
Chartered Accountants

Place : Gurugram
Date : July 23, 2018

Rahul Chattopadhyay
Partner
Membership Number 096367

Balance Sheet as at March 31, 2018

[All figures in Rs. lacs, unless otherwise stated]

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	3,005.05	2,503.30	3,873.96
Capital work in progress		517.33	10.35	3.44
Investment property	5	4.15	4.15	4.15
Intangible assets	4	199.95	224.82	110.30
Financial assets				
ii. Loans	7	211.16	210.73	293.63
iii. Other financial assets	8	429.95	245.33	157.88
Deferred tax assets	9	3,206.12	3,280.68	3,146.41
Current tax assets	10	6,377.67	6,405.34	6,517.60
Other non-current assets	11	1,816.36	2,000.45	2,070.14
Assets classified as held for sale	43	24.05	24.05	24.05
Current assets				
Inventories	12	3,775.89	3,483.43	3,661.82
Financial assets				
i) Trade receivables	6	6,065.71	6,302.60	7,376.22
ii) Cash and bank balances	13	19,834.20	12,668.08	3,393.36
iii) Bank balances other than (ii) above	13	4.75	804.55	3,240.32
iv) Loans	14	-	25.95	25.52
v) Other financial assets	15	1,607.28	1,383.29	824.46
Other current assets	16	2,117.50	2,240.07	1,360.29
Total		49,197.12	41,817.17	36,083.55
Equity and Liabilities				
Equity				
Equity share capital	17	4,480.80	4,480.80	4,480.80
Other Equity				
Reserves and surplus	17	26,903.38	22,216.51	16,272.80
Other Reserves		(9.16)	17.39	-
Liabilities				
Non-current liabilities				
Financial liabilities	18	31.40	61.50	41.17
Other non current liabilities	19	2,250.82	2,256.43	2,321.30
Provisions	20	4,042.00	4,060.32	3,507.08
Deferred tax liabilities	9	247.89	-	-
Current liabilities				
Financial liabilities				
i. Trade payables	21			
Total outstanding dues of micro enterprises and small enterprises		49.64	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,013.89	4,018.12	5,238.53
ii. Other financial liabilities	22	1,615.25	1,454.02	1,519.39
Current tax liabilities	25	1,093.63	1,313.81	1,517.80
Other current liabilities	23	1,164.89	1,650.94	835.22
Current provisions	24	312.69	287.33	349.46
Total		49,197.12	41,817.17	36,083.55

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

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

For and on behalf of Board of directors

Rahul Chattopadhyay
Partner
Membership Number: 096367
Gurugram, India
July 23, 2018

Raj Kumar Rishi
Managing Director
DIN: 07979575

Mohit Kumar
Finance Controller

Gurugram, India
July 23, 2018

Rodney Noonoo
Director
DIN: 07690361

Satpreet Singh
Chief Financial Officer

Rajiv L. Jha
Company Secretary &
GM Legal

Statement of Profit and Loss for the year ended March 31, 2018

[All figures in Rs. lacs, unless otherwise stated]

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	29	54,742.38	52,296.85
Other income	30	1,460.84	1,021.47
			-
Total Revenue		56,203.22	53,318.32
Expenses			
Purchase of goods and services	31	31,948.43	28,461.78
Change in inventories of goods	32	(486.59)	310.61
Employee benefit expense	33	9,336.46	10,786.87
Finance costs	34	21.91	59.20
Depreciation and amortization expense	35	1,118.50	1,576.18
Other expenses	36	6,499.65	7,134.37
Total expenses		48,438.36	48,329.01
Profit before exceptional item and tax		7,764.86	4,989.31
Exceptional Item : Profit on transfer of business	26	-	3,437.14
Profit before tax		7,764.86	8,426.45
Tax expense			
Current tax		3,030.32	2,668.31
Prior years tax		(52.83)	(56.67)
Deferred tax		262.43	(147.18)
		3,239.92	2,464.46
Profit for the year		4,524.94	5,961.99
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operation		(26.55)	17.39
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post-employment benefit obligations		173.42	37.35
Income tax relating to these items		60.02	12.93
Other comprehensive income for the year, net of tax		86.85	41.81
Total comprehensive income for the year		4,611.79	6,003.80
Earnings per equity share [Nominal value per share: Rs. 10 (March 31, 2017: Rs. 10)]	37		
Basic		10.29	13.40
Diluted		10.29	13.40

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

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP

Firm Registration No.: 007567S/S-200012

Chartered Accountants

Rahul Chattopadhyay

Partner

Membership Number: 096367

Gurugram, India

July 23, 2018

For and on behalf of Board of directors

Raj Kumar Rishi
Managing Director
DIN: 07979575

Mohit Kumar
Finance Controller

Gurugram, India

July 23, 2018

Rodney Noonoo
Director
DIN: 07690361

Satpreet Singh
Chief Financial Officer

Rajiv L. Jha
Company Secretary &
GM Legal

Statement of Change in Equity

[All figures in Rs. lacs, unless otherwise stated]

A. Equity Share Capital		Notes			
As at April 1, 2016				4,480.80	
Changes in equity share capital		17		-	
As at March 31, 2017				4,480.80	
Changes in equity share capital		17		-	
As at March 31, 2018				4,480.80	

B. Other Equity						
Particulars	Reserves and surplus				Other reserves	Total Equity
	General reserve	Retained earnings	Share based payment reserve	Total	Foreign currency translation reserve	Total
Balance as at April 1, 2016	7,253.18	8,825.61	194.01	16,272.80	-	16,272.80
Profit for the year		6,003.80		6,003.80	-	6,003.80
Other comprehensive income		(17.39)		(17.39)	17.39	-
Total comprehensive income for the year	-	5,986.41	-	5,986.41	17.39	6,003.80
Share based payment expenses			(42.70)	(42.70)		(42.70)
Balance as at March 31, 2017	7,253.18	14,812.02	151.31	22,216.51	17.39	22,233.90
Profit for the year		4,611.79		4,611.79		4,611.79
Other comprehensive income		26.55		26.55	(26.55)	-
Total comprehensive income for the year	-	4,638.34	-	4,638.34	(26.55)	4,611.79
Share based payment expenses			48.53	48.53		48.53
Balance as at March 31, 2018	7,253.18	19,450.36	199.84	26,903.38	(9.16)	26,894.22

Nature and purpose of general reserve: General reserves are the free reserves of the Company which are kept aside out of company's profits to meet future obligations. No amount has been transferred to general reserve during the year ended March 31, 2018.

Foreign currency translation reserve: Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

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

This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

For and on behalf of Board of directors

Raj Kumar Rishi
Managing Director
DIN: 07979575

Rodney Noonoo
Director
DIN: 07690361

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Chief Financial Officer

Rahul Chattopadhyay
Partner
Membership Number: 096367

Mohit Kumar
Finance Controller

Rajiv L. Jha
Company Secretary &
GM Legal

Gurugram, India
July 23, 2018

Gurugram, India
July 23, 2018

Statement of Cash Flows for the year ended March 31, 2018

[All figures in Rs. lacs, unless otherwise stated]

	Year ended March 31, 2018	Year ended March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,764.86	8,426.45
Adjustments for non-cash / non-operating items:		
Depreciation and amortization expense	1,118.50	1,576.18
Provision for doubtful advances	281.47	62.62
Finance cost	21.91	59.20
Interest income	(764.77)	(468.38)
Employee share based payment expense	48.53	(42.70)
Unwinding of discount on security deposits	16.60	20.99
Provision for obsolescence of Inventories	284.99	3.44
Other non cash adjustments	197.59	214.59
Unrealised foreign exchange loss (net)	86.84	43.25
Profit on transfer of Business	-	(3,437.14)
Operating profit before working capital changes	9,056.52	6,458.50
(Increase) / Decrease in trade receivables & other financial assets	549.66	3,013.29
(Increase) / Decrease in inventory and other current assets	(281.46)	(665.22)
Increase / (Decrease) in trade payables & other financial liabilities	3,121.55	(1,345.01)
Increase / (Decrease) in other current liabilities & provisions	(460.68)	818.50
(Increase) / Decrease in other non-current assets	184.09	69.69
Increase / (Decrease) in other non-current liabilities & provisions	(166.12)	346.88
Cash generated from operations	12,003.56	8,696.63
Income tax paid including tax deducted at source	(3,451.47)	(2,784.16)
Net cash generated from operating activities	8,552.09	5,912.47
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,170.30)	(1,171.90)
Proceeds from sale of property plant and equipment and intangible assets	53.39	4,209.50
Interest received	776.89	386.21
Net Cash from/ (used in) investing activities	(1,340.02)	3,423.81
C. Cash flows from financing activities		
Finance cost	(21.91)	(59.20)
Net Cash used in financing activities	(21.91)	(59.20)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	7,190.16	9,277.08
Effect of exchange differences on balance with banks in foreign currency	(24.04)	(2.36)
Cash and cash equivalents at the beginning of the year	12,668.08	3,393.36
Cash and cash equivalents at the end of the year	19,834.20	12,668.08
Cash and cash equivalents comprise of:		
Cheques on hand	-	551.96
Bank balances		
- EEFC Account	542.53	125.14
- In current accounts	2,704.86	1,505.98
- Demand deposits (less than 3 months maturity)	16,586.81	10,485.00
Total	19,834.20	12,668.08

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

This is the cash flow statement referred to in our report of even date.

For Price Waterhouse & Co Bangalore LLP

Firm Registration No.: 007567S/S-200012

Chartered Accountants

For and on behalf of Board of directors

Raj Kumar Rishi
Managing Director
DIN: 07979575

Rodney Noonoo
Director
DIN: 07690361

Satpreet Singh
Chief Financial Officer

Rahul Chattopadhyay
Partner
Membership Number: 096367

Mohit Kumar
Finance Controller

Rajiv L. Jha
Company Secretary &
GM Legal

Gurugram, India
July 23, 2018

Gurugram, India
July 23, 2018

Notes to the Financial Statements

[All figures in ₹ lacs, unless otherwise stated]

1. Company Information

Xerox India Limited ('the Company') was incorporated in India on December 29, 1995 and is engaged in the business of trading of xerographic equipment, multifunction devices, laser printers, systems, consumables, paper and providing after-sales services of machines sold which include servicing, repairing, selling spare parts. The registered office of the Company is located at 5th Floor, Tower A, Vatika Business Park, Sohna Road, Gurugram, Haryana. The Company is a Public Limited Company ultimately controlled by Xerox Corporation, USA.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2018.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (referred to as Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. The financial statements comply in all material aspects with IND AS notified under section 133 or the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to the year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of this Act. These financial statements are the first financial statements of the Company under Ind AS. Refer note 48 - for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- Assets held for sale - measured at fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value;
- share based payments

2.3 Use of estimates

The preparation of financial statements requires the management of the Company to make estimates and

assumptions in conformity with the applicable accounting principles in India that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, warranty, provision for taxes and the useful life of fixed assets.

These estimates can change from year to year and also the actual results could vary from the estimates. The changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

2.4 Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Property, plant and equipment are stated at acquisition cost (including non-refundable duties and taxes), accumulated depreciation and accumulated impairment losses, if any. Cost includes original cost of acquisition and includes expenses incidental to such acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Freehold land is carried at historical cost.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements under other non-current Assets (refer note 3).

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has selected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.5 Intangible assets

Intangible assets includes software. Such intangibles are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

On transition to Ind AS, the Company has selected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Notes to the Financial Statements

[All figures in ₹ lacs, unless otherwise stated]

2.6 Depreciation and amortisation

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life or in case of Leasehold improvements, over the shorter lease term. The Company has provided depreciation basis its useful life determined on technical evaluation which matches with the useful life as prescribed in Schedule II of Companies Act 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

Estimated useful life of property, plant, equipment and intangibles are as follows:

Assets	Useful Lives (in years)
Equipment given on operating lease	5
Leasehold improvements	Life of lease or 5 years, whichever is shorter
Buildings	60
Furniture, fixtures and equipment	10
Vehicles	8
Office equipment	5
Computers	3
Software	2-7

Depreciation on addition to fixed assets is provided on pro-rata basis from the date of asset put to use. Depreciation on disposal from fixed assets is provided for up to the date of disposal.

2.7 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment property.

2.8 Impairment of assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less

costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

2.9 Inventories

Inventories are stated at lower of cost and net realisable value. The basis for determination of cost of various categories of inventory is as follows:

Finished goods – Trade	Weighted average
Components for sales and service of field	
Machines	Weighted average
Loose tools	Weighted average

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Spare parts are consumed for rendering services or held as merchandise for sale hence considered as inventory.

A provision for obsolescence on loose tools, components for sale and service of field machines held to support servicing of discontinued/ obsolete/ dormant models is accrued at their book value. The recoverability of all other inventories is periodically reviewed and provision for obsolescence is recorded for the difference between net realisable values and carrying value.

2.10 Foreign currency transactions

- (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.
- (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.
- (iii) Translation of foreign branch

The results and financial position of foreign branch that has a functional currency different from the presentation currency is translated into the presentation currency as follows:-

- Assets and liabilities are translated at the closing rate at the date of that balance sheet

Notes to the Financial Statements

[All figures in ₹ lacs, unless otherwise stated]

- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

2.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer credit notes and other similar allowances.

Equipment: Revenues from the sale of equipment, including those from sales-type leases, are recognized at the time of sale or at the inception of the lease, as appropriate. For equipment sales that require the Company to install the product at the customer location, revenue is recognized when the equipment has been delivered and installed at the customer location. Sales of customer installable products are recognized upon shipment or receipt by the customer according to the customer's shipping terms.

Maintenance services: Maintenance service revenues are derived primarily from maintenance contracts on the equipment sold to customers and are recognized over the term of the contracts. A substantial number of products are sold with full service maintenance agreements for which the customer typically pays variable amount based on usage plus a base service fee, if any.

Bundled lease arrangements: The Company sells products and services under bundled lease arrangements, which typically include equipment, service, supplies and financing components for which the customer pays a single negotiated fixed minimum monthly payment for all elements over the contractual lease term. These arrangements also typically include an incremental, variable component for page volumes in excess of contractual page volume minimums, which are often expressed in terms of price-per-page. Revenues under bundled arrangements are allocated using the residual method.

Sales to distributors and resellers: The Company uses distributors and resellers to sell many of the Company technology products, supplies and services to end-user customers. The Company refer to distributor and reseller network as Company's two-tier distribution model. Sales to distributors and resellers are generally recognized as revenue when products are sold to such distributors and resellers. However, revenue is only recognized when the distributor or reseller has economic substance, the sales price is not contingent upon resale or payment by the end

user customer and the Company has no further obligations related to bringing about the resale, delivery or installation of the product.

Distributors and resellers participate in various rebate, price-protection, cooperative marketing and other programs, and the Company records provisions for these programs as a reduction to revenue when the sales occur. Similarly, the Company account for estimates of sales returns and other allowances when the sales occur based on historical experience.

Software support services and business support services are rendered to overseas affiliates of the Company. Revenue from such contracts are recognised on cost plus margin in accordance with the terms of the agreement entered between the Company and these affiliates.

Revenue from extended warranty: Revenue from extended warranty is recognised equally over the period of warranty.

Revenue from fixed price contracts: Where there is no uncertainty as to measurement or collectability of consideration, revenue is recognised based upon the percentage of completion method. When there is uncertainty about measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Cost and earning in excess of billing are classified as unbilled revenue while billing in excess of cost and earnings are classified as deferred revenue.

Government grants: Exports incentives under various schemes have been recognised in accordance with the terms of the scheme on accrual basis.

2.12 Employee benefits

Short-term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Notes to the Financial Statements

[All figures in ₹ lacs, unless otherwise stated]

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

The liabilities for retention bonus is recognised at discounted value over the vesting period.

Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans (gratuity and provident fund); and

(b) Defined contribution plans (superannuation plan).

Gratuity: Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation on the projected unit credit (PUC) method adjusted for past service and fair value of plan assets as at the balance sheet date. The company contributes all the ascertained liabilities to a fund maintained by a trust set up by the company and administered by a board of trustees, which has taken two Gratuity cum insurance policies with the Life Insurance Corporation of India to cover the gratuity liability of the employees.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Interest cost along with current service cost is included in employee benefit expense in the statement of profit and loss. Premeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability.

Provident fund: In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the company are entitled to receive benefits with respect to provident fund, a defined benefit plan in which both the company and the employee contribute monthly at a determined rate. These contributions are made to a fund maintained by a trust set up by the company and administered by the Board of trustees. The Company's liability is actuarially determined (using Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the trust set up by the company is additionally provided for.

Superannuation: Benefits payable to eligible employees of the company under the superannuation plan, a defined

contribution plan is accounted for on the basis of contributions calculated at a specified percentage (at present 13%) of salary paid to the employees. The Company contributes all the ascertained liabilities to a fund set up by the company and administered by a board of trustees, which has taken a policy with Life Insurance Corporation of India to cover such liability.

Termination benefits: Termination benefits are recognised in the Statement of Profit and Loss as and when incurred.

Group settled share based payments: Share-based compensation benefits are provided to employees via equity settled stock options granted under Award Plans of Xerox Corporation, USA

The fair value of awards granted under Employee Stock Option Plans is recognized as an employee benefits expense with a corresponding credit to reserve and surplus. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to Reserve and surplus.

2.13 Income tax

Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its branches operate and generate taxable income. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the

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[All figures in ₹ lacs, unless otherwise stated]

tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

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

2.14 Provisions and contingent liabilities

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the 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.

2.15 Lease

As a lessee

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under

operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a Lessor

Global document outsourcing contract in the nature of embedded lease where the minimum lease term is for the major part of the assets economic life and the minimum lease payments amounts to substantially all the fair value of the assets are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

For embedded leases in the nature of a Finance Lease, the equipment's fair value is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the payments as per the contract. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate on the Lease Receivable outstanding.

In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

2.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. 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 is adjusted for the effects of all dilutive potential equity shares.

2.18 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, net of any expected credit losses.

2.19 Other financial assets

Classification - The Company classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI),

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[All figures in ₹ lacs, unless otherwise stated]

- Fair value through profit and loss,
- At amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement –

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it

arises. Interest income from these financial assets is included in other income.

Impairment of financial assets –

The Company assesses impairment based on past history of recovery, credit worthiness of the counter party adjusted with forward looking estimates associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets –

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) 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.

2.20 Derivatives

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors has been identified as being the chief operating decision maker. Refer note 51 for segment information presented.

2.22 Recent accounting pronouncement

Standards notified but not yet effective:

- (i) **Ind AS 115 'Revenue from Contracts with Customers'**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers

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in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(ii) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

(iii) Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A

change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. April 1, 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date. Management has assessed the effects of the amendment on classification of existing property at April 1, 2018 and concluded that no reclassifications are required. The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. April 1, 2018).

2A Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

- Recognition of revenue – Refer note 29
- Estimation of provision for direct tax matters, indirect tax matters and other legal matters- Refer note 20
- Estimation of defined benefit obligation - Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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[All figures in Rs. lacs, unless otherwise stated]

3. Property Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block
	As at April 1, 2017	Additions during the Year	Adjustments/ Sold during the Year	As at March 31, 2018	Upto April 1, 2017	Provided during the Year	Adjustment during the Year	Upto March 31, 2018	As at March 31, 2018
Own Assets:									
Leasehold improvements	248.53	-	0.57	247.96	64.97	56.99	-	121.96	126.00
Buildings	71.91	-	-	71.91	2.22	2.22	-	4.44	67.47
Furniture, fixtures & equipment	115.42	0.05	0.24	115.23	15.80	15.81	0.10	31.51	83.72
Vehicles	3.08	-	-	3.08	1.46	1.30	-	2.76	0.32
Office equipment	206.43	43.77	5.55	244.65	49.14	62.42	4.41	107.15	137.50
Computers	272.09	56.09	2.71	325.47	110.81	111.57	2.00	220.38	105.09
Total (A)	917.46	99.91	9.07	1,008.30	244.40	250.31	6.51	488.20	520.10
Assets given on operating lease:									
Equipments	2,878.22	1,447.55	39.24	4,286.53	1,047.98	788.80	35.20	1,801.58	2,484.95
Total (B)	2,878.22	1,447.55	39.24	4,286.53	1,047.98	788.80	35.20	1,801.58	2,484.95
Total (A+B)	3,795.68	1,547.46	48.31	5,294.83	1,292.38	1,039.11	41.71	2,289.78	3,005.05

Note: Leasehold land and freehold land having a net book value of Rs.17.56 and Rs. 6.49 respectively (aggregating Rs. 24.05) (March 31, 2017 Rs. 24.05, April 1, 2016 Rs. 24.05) held for sale at the year end are not included above and have been classified as asset held for sale. Original title deeds has been handed over to the transferee. Refer note 43.

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Deemed Cost as at April 1, 2016	Additions during the Year	Adjustments/ Sold during the Year	As at March 31, 2017	As at April 1, 2016	Provided during the Year	Adjustment during the Year	As at March 31, 2017	As at March 31, 2017
Own Assets:									
Leasehold improvements	687.88	84.83	524.18	248.53	-	131.99	67.02	64.97	183.56
Buildings	71.91	-	-	71.91	-	2.22	-	2.22	69.69
Furniture, fixtures & equipment	152.29	62.81	99.68	115.42	-	26.09	10.29	15.80	99.62
Vehicles	4.28	-	1.20	3.08	-	1.77	0.31	1.46	1.62
Office equipment	167.20	87.36	48.13	206.43	-	59.56	10.42	49.14	157.29
Computers	412.57	206.96	347.44	272.09	-	229.46	118.65	110.81	161.28
Total (A)	1,496.13	441.96	1,020.63	917.46	-	451.09	206.69	244.40	673.06
Assets given on operating lease:									
Equipments	2,377.83	531.15	30.77	2,878.22	-	1,056.34	8.36	1,047.98	1,830.24
Total (B)	2,377.83	531.15	30.77	2,878.22	-	1,056.34	8.36	1,047.98	1,830.24
Total (A+B)	3,873.96	973.11	1,051.40	3,795.68	-	1,507.43	215.05	1,292.38	2,503.30

4. Intangible Assets

Particulars	Gross Block				Amortisation				Net Block
	As at April 1, 2017	Additions during the Year	Adjustments/ Sold during the Year	As at March 31, 2018	Upto April 1, 2017	Provided during the Year	Adjustment during the Year	Upto March 31, 2018	As at March 31, 2018
Software	287.58	115.86	74.55	328.89	62.76	79.39	13.21	128.94	199.95
Total	287.58	115.86	74.55	328.89	62.76	79.39	13.21	128.94	199.95

Particulars	Gross Block				Amortisation				Net Block
	Deemed Cost as at April 1, 2016	Additions during the Year	Adjustments/ Sold during the Year	As at March 31, 2017	Upto April 1, 2016	Provided during the Year	Adjustment during the Year	Upto March 31, 2017	As at March 31, 2017
Software	110.30	199.13	21.85	287.58	-	68.75	5.99	62.76	224.82
Total	110.30	199.13	21.85	287.58	-	68.75	5.99	62.76	224.82

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[All figures in Rs. lacs, unless otherwise stated]

5. Investment Property

Particulars	Gross carrying amount				Gross carrying amount		
	Gross Block As at April 1, 2017	Additions	Adjustments/ Sold during	As at March 31, 2018	Deemed Cost as at April 1 2016	Additions	As at March 31, 2017
Own Assets							
Freehold Land	4.15	-	-	4.15	4.15	-	4.15
Total	4.15	-	-	4.15	4.15	-	4.15

a) Fair value	March 31, 2018	March 31, 2017	April 1, 2016
Investment property	16.50	16.50	16.50

The Company obtains independent valuations for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties.

The fair values of investment property has been determined by independent valuer. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 2.

There is no amount recognised in Profit and Loss account for investment property in current as well as in previous year. Further, there is no contractual obligation relating to this investment property.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
6. Trade Receivable			
Trade receivables	6,204.93	6,118.27	6,093.00
Receivables from related parties (refer note - 38)	796.76	1,017.55	2,285.10
Less: Allowance for doubtful debts	(935.98)	(833.22)	(1,001.88)
Total receivables	6,065.71	6,302.60	7,376.22
Current portion	6,065.71	6,302.60	7,376.22
Non-current portion	-	-	-
Unsecured, considered good	6,065.71	6,302.60	7,376.22
Unsecured, considered doubtful	935.98	833.22	1,001.88
Less: Provision for doubtful debts	(935.98)	(833.22)	(1,001.88)
Total	6,065.71	6,302.60	7,376.22
7. Loans			
Unsecured, considered good :			
Security deposits	211.16	210.73	293.63
Unsecured, considered doubtful :			
Security deposits	16.05	16.05	16.05
Less: Provision for doubtful deposits	(16.05)	(16.05)	(16.05)
	211.16	210.73	293.63
8. Other non-current financial assets			
Finance lease receivables	420.82	238.25	152.78
Miscellaneous Deposits	19.04	16.99	15.01
Less: Provision for doubtful recoverable	(9.91)	(9.91)	(9.91)
	429.95	245.33	157.88
9. Deferred tax assets and liabilities			
Deferred tax assets	3,206.12	3,280.68	3,146.41
Deferred tax liabilities	247.89	-	-

Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Particulars	As at March 31, 2018	Movement during the year	As at March 31, 2017	Movement during the year	As at April 1, 2016
Deferred tax liabilities - Bangladesh Branch					
Deferred tax on unremitted earnings from Bangladesh branch	247.89	247.89	-	-	-
Deferred tax liabilities	247.89	247.89	-	-	-
Deferred tax assets - India Entity					
Property, plant and equipment and Intangible asset and lease receivable	1,528.99	13.38	1,515.61	36.19	1,479.42
Provision for doubtful trade receivables	323.92	9.85	314.07	(32.66)	346.73
Provision for doubtful advances	172.75	30.57	142.18	(9.32)	151.50
Provision for impairment of inventories	305.62	67.14	238.48	(45.96)	284.44
Provision for leave encashment	43.90	(45.25)	89.15	(11.44)	100.59
Provision for warranty	18.16	9.50	8.66	(10.03)	18.69
Interest on Income tax refunds	272.67	80.92	191.75	-	191.75
Provision for litigation and disputes	472.47	(115.07)	587.54	183.98	403.56
Other provisions	44.87	(107.88)	152.75	17.10	135.65
Deferred revenue	20.55	(12.74)	33.29	19.97	13.32
Lease equalisation reserve	2.22	(4.98)	7.20	(13.56)	20.76
Deferred tax assets	3,206.12	(74.55)	3,280.68	134.27	3,146.41

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Tax recognised in statement of profit and loss		
Income tax expense		
Current tax on profits for the year	2,970.30	2,655.38
Adjustments for current tax of prior periods	(52.83)	(56.67)
Total current tax expense	2,917.47	2,598.71
Decrease / (increase) in deferred tax assets	74.55	(134.27)
(Decrease) / increase in deferred tax liabilities	247.89	-
Total deferred tax expense/(benefit)	322.45	(134.27)
Income tax expense	3,239.92	2,464.45
(b) Tax recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	60.02	12.93
(c) Reconciliation of effective tax rate:		
Profit before tax	7,938.28	8,463.80
Tax using the Company's domestic tax rate (Current year :34.608% and previous year : 34.608%)	2,747.28	2,929.15
Tax effect of:	-	-
Income tax @ different rate	351.02	(313.69)
Non-deductible tax expenses	254.48	(81.41)
Tax reversal of earlier years	(52.83)	(56.67)
Tax expense including tax recognised in other comprehensive income	3,299.94	2,477.38

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
10. Current tax assets (net)			
Advance Income tax including tax deducted at source recoverable Rs. 20,913.76 (March 31, 2017 Rs. 17,584.31, April 1, 2016 Rs.14,800.74), net of corresponding Income tax provisions for the period where the assessments are pending Rs 14,085.30 (March 31, 2017: Rs. 11,009.11, April 1, 2016 Rs.8193.47)]	6,828.46	6,575.80	6,607.27
- Less: Provision for doubtful TDS recoverable	(450.79)	(170.46)	(89.67)
	6,377.67	6,405.34	6,517.60
11. Other non-current assets			
Sales tax and Works Contract tax Deposits under protest (refer note 27(a iii))	1,695.53	1,911.09	1,893.02
- Less: Provision for doubtful recoverable	-	(1.32)	(11.65)
Excise duty (refer note 27 (a iv))	37.27	37.27	37.27
Prepaid expenses	72.01	-	47.91
Claim Recoverable (SAD)			
- Considered good	9.93	48.14	38.42
- Considered doubtful	40.01	55.96	29.09
- Less: Provision for doubtful advances	(40.01)	(55.96)	(29.09)
Deferred rent	1.62	5.27	65.17
Total	1,816.36	2,000.45	2,070.14
12. Inventories			
Traded goods			
[Including stocks in transit Rs. 734.72 (March 31, 2017 Rs. 146.50 , April 1, 2016 Rs. 60.24) and stocks lying in warehouses managed by third parties Rs. 410.41 (March 31, 2017 Rs. 548.38, April 1, 2016 Rs. 755.08)	1,145.13	694.88	815.32
Components for sale and servicing of field machines			
[Including stocks in transit Rs.490.21 (March 31, 2017 Rs. 194.95, April 1, 2016 Rs. 376.71) and stocks lying in warehouses managed by third parties Rs.3,005.70 (March 31, 2017 Rs. 3,058.87, April 1, 2016 Rs. 3060.93)	3,495.91	3,459.57	3,649.74
Loose tools	17.93	18.05	18.64
	4,658.97	4,172.50	4,483.70
Less: Provision for inventory	(883.08)	(689.07)	(821.88)
Total	3,775.89	3,483.43	3,661.82
Detail of inventory			
i) Traded goods			
- Equipments	1,138.21	674.25	798.68
- Paper	6.92	20.63	16.64
Total	1,145.13	694.88	815.32
ii) Components for sale and servicing of field machines:			
- Consumables	1,796.35	1,815.84	2,104.11
- Parts	1,699.56	1,643.73	1,545.63
Total	3,495.91	3,459.57	3,649.74
Movement of provision for inventory is as below:			
Beginning balance	689.08	821.87	
Addition during the year	284.98	3.45	
Write off	(90.98)	(136.24)	
Closing balance	883.08	689.08	

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
13. Cash and bank balances			
(a) Cash and cash equivalents			
Cheques in hand	-	551.96	672.77
Bank balances			
- Current accounts *	2,704.86	1,505.98	551.42
- EEFC Account	542.53	125.14	4.17
- Demand deposits (less than 3 months maturity)	16,586.81	10,485.00	2,165.00
	19,834.20	12,668.08	3,393.36
(b) Other bank balances			
Deposits with maturity more than 3 months but less than 12 months	-	800.00	3,179.90
Other bank balances			
- Deposit with banks held as margin money **	4.75	4.55	2.30
- Lien created by tax authorities	-	-	58.12
	4.75	804.55	3,240.32
Total	19,838.95	13,472.63	6,633.68

* Includes an amount of Rs 545.98 (March 31, 2017 - Rs. Nil, April 1, 2016 - Rs. Nil) under repatriation restrictions.

** Held as lien by bank against Bank guarantee

14. Loans

Unsecured, considered good :

- Security deposits given

	-	25.95	25.52
Total	-	25.95	25.52

15. Other current financial assets

Interest accrued on fixed deposits	141.90	154.02	71.86
Finance lease receivables	164.87	94.42	68.42
Unbilled Revenue	1,300.51	1,134.85	684.18
Total	1,607.28	1,383.29	824.46

16. Other current assets

Unsecured considered good (unless otherwise stated)

- Advance to employees	43.18	16.09	44.49
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- Advances to vendors (including works Contract tax certificates receivable)	343.27	419.22	286.56
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Less: Provision for doubtful claims	(33.76)	309.51	(25.52)	393.70	(27.78)	258.78
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Claims Recoverable

- Unsecured considered good	174.65	204.08	399.07
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- Unsecured considered doubtful	299.80	205.89	253.62
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Less: Provision for doubtful claims	(299.80)	174.65	(205.89)	204.08	(253.62)	399.07
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Amounts recoverable from government authorities

- VAT input credit	0.84	24.69	10.57
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- Service tax/ GST	941.87	449.71	293.62
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Prepaid Gratuity	464.41	380.25	207.91
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Prepaid expenses	177.82	78.59	102.27
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Contract Work in Progress*	-	677.46	-
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Other recoverable**	-	-	19.76
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Deferred rent	5.22	15.50	23.82
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Total	2,117.50	2,240.07	1,360.29
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* Cost related to future activity on fixed price contract

** Refer note no. 41 (b)

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

17. Share capital

Authorised:

10,00,00,000 (March 31, 2017: 10,00,00,000 April 1, 2016: 10,00,00,000) equity shares of Rs. 10 each

Issued:

4,48,08,000 (March 31, 2017: 4,48,08,000 April 1, 2016: 4,48,08,000) equity shares of Rs. 10 each

Subscribed and paid up:

4,48,08,000 (March 31, 2017: 4,48,08,000 April 1, 2016: 4,48,08,000) equity shares of Rs. 10 each

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised:			
10,00,00,000 (March 31, 2017: 10,00,00,000 April 1, 2016: 10,00,00,000) equity shares of Rs. 10 each	10,000.00	10,000.00	10,000.00
Issued:			
4,48,08,000 (March 31, 2017: 4,48,08,000 April 1, 2016: 4,48,08,000) equity shares of Rs. 10 each	4,480.80	4,480.80	4,480.80
Subscribed and paid up:			
4,48,08,000 (March 31, 2017: 4,48,08,000 April 1, 2016: 4,48,08,000) equity shares of Rs. 10 each	4,480.80	4,480.80	4,480.80
	4,480.80	4,480.80	4,480.80

a. Reconciliation of number of shares

Equity shares:

Balance as at the beginning of the year

Add: Shares issued during the year

Balance as at the end of the year

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the year	4,48,08,000	4,480.80	4,48,08,000	4,480.80	4,48,08,000	4,480.80
Add: Shares issued during the year	-	-	-	-	-	-
Balance as at the end of the year	4,48,08,000	4,480.80	4,48,08,000	4,480.80	4,48,08,000	4,480.80

b. Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has one class of equity shares having a par value of Rs. 10 per share. Each member is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. Shares held by holding company and subsidiaries of holding company

Equity Shares:

2,04,23,200 (March 31, 2017: 2,04,23,200, April 1, 2016: 2,04,23,200) shares held by Xerox Limited, United Kingdom, a subsidiary of Xerox Corporation, USA, the ultimate holding/parent company

1,76,06,706 (March 31, 2017: 1,76,06,706, April 1, 2016: 1,76,06,706) shares held by XC Trading Singapore Pte Limited, a subsidiary of Xerox Corporation, USA, the ultimate holding/parent company

19,80,801 (March 31, 2017: 19,80,801, April 1, 2016: 19,80,801) shares held by Xerox Developing Markets Limited, a subsidiary of Xerox Corporation, USA, the ultimate holding/parent company

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
2,04,23,200 (March 31, 2017: 2,04,23,200, April 1, 2016: 2,04,23,200) shares held by Xerox Limited, United Kingdom, a subsidiary of Xerox Corporation, USA, the ultimate holding/parent company	2,042.32	2,042.32	2,042.32
1,76,06,706 (March 31, 2017: 1,76,06,706, April 1, 2016: 1,76,06,706) shares held by XC Trading Singapore Pte Limited, a subsidiary of Xerox Corporation, USA, the ultimate holding/parent company	1,760.67	1,760.67	1,760.67
19,80,801 (March 31, 2017: 19,80,801, April 1, 2016: 19,80,801) shares held by Xerox Developing Markets Limited, a subsidiary of Xerox Corporation, USA, the ultimate holding/parent company	198.08	198.08	198.08

d. Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Xerox Limited, UK

XC Trading Singapore Pte Limited

Modi Rubber Limited

Xerox Investments Europe B.V.

	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% of total	No. of shares	% of total	No. of shares	% of total
Xerox Limited, UK	2,04,23,200	45.58	2,04,23,200	45.58	2,04,23,200	45.58
XC Trading Singapore Pte Limited	1,76,06,706	39.29	1,76,06,706	39.29	1,76,06,706	39.29
Modi Rubber Limited	-	-	31,37,000	7.00	31,37,000	7.00
Xerox Investments Europe B.V.	33,00,320	7.37	-	-	-	-

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

18. Financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable to employees	31.40	61.50	41.17
	31.40	61.50	41.17

19. Other non current liabilities

Lease equalisation reserve	0.82	6.43	41.97
Advance from customers	-	-	29.33
Other advances (Refer Note 43)	2,250.00	2,250.00	2,250.00
Total	2,250.82	2,256.43	2,321.30

20. Non current provisions

Other provisions			
- Litigation & disputes- Income tax**	973.10	851.62	851.62
- Litigation & disputes- Indirect tax and legal cases*	3,068.90	3,208.70	2,655.46
Total	4,042.00	4,060.32	3,507.08

*Indirect taxes & legal cases

Balance provision as at the beginning of the year	3,208.70	2,655.46	2,455.38
Additions	115.64	158.88	306.41
Amount written back / used	(255.44)	(14.32)	(106.33)
Total	3,068.90	2,800.02	2,655.46
Provision against excise refund under litigation (Refer note 27(a)(iv))	-	408.68	-
Balance at the end	3,068.90	3,208.70	2,655.46

Critical judgement in calculating amount:

Other provisions includes provisions made mainly for probable claims arising out of certain indirect tax, direct tax and legal matters under various statutes. These estimates take into account the specific circumstances of each matter and relevant external advice, are inherently judgmental and could change substantially over time as each matter progresses. The ultimate liability for claims may vary from the amounts provided and is dependent upon the outcome of the relevant proceedings, change in circumstances and there can be no assurance that the ultimate result will not differ from the provisions reported in the Company's financial statements by a material amount. The timing and probability of the outflow and expected reimbursements if any with regard to these matters, depends on the ultimate settlement / conclusion of these matters.

**Income Tax cases

Balance provision as at the beginning of the year	851.62	802.50
Additions	121.48	49.12
Amount written back / used	-	-
Balance at the end	973.10	851.62

21. Trade payables

Total outstanding dues of micro enterprises and small enterprises	49.64	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 40)	2,349.93	1,819.41	2,231.56
Payables to related parties (Refer Note 38)	4,663.96	2,198.71	3,006.97
Total	7,013.89	4,018.12	5,238.53

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

22. Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable to employees	521.00	478.49	539.06
Security deposits received	67.88	67.88	69.23
Other liabilities	9.66	35.90	12.85
Non-trade payable for other contractual obligation	1,016.71	871.75	898.25
Total	1,615.25	1,454.02	1,519.39

23. Other current liabilities

Advance from customers	427.86	262.75	108.58
Statutory dues including Provident fund and Tax deducted at source	575.63	628.55	490.66
Deferred Revenue	155.79	745.27	217.95
Lease equalisation reserve	5.61	14.37	18.03
Total	1,164.89	1,650.94	835.22

24. Current Provision

Provision for employees retirement benefits (Refer note 33)			
- Leave encashment	255.60	257.60	290.65
- Superannuation	4.60	4.71	4.81
Provision for warranty*	52.49	25.02	54.00
Total	312.69	287.33	349.46
Provision for warranty			
Balance as at the beginning of the year	25.02	54.00	
Additions	181.01	106.30	
Amount used	(153.54)	(135.28)	
Balance as at the end of the year	52.49	25.02	

25. Current tax liabilities

Income tax liability	(1,093.63)	(1,313.81)	(1,517.80)
Income tax provisions for the period where the assessments are pending Rs 3967.61 (March 31, 2017: Rs. 7220.00, April 1, 2016 Rs.4643.53)] net of corresponding advance Income tax including tax deducted at source recoverable is Rs. 2873.98 (March 31, 2017 Rs. 5906.19, April 1, 2016 Rs.3125.73),			

26. On November 07, 2016, the Board of Directors of Xerox India Limited had authorised the Company to transfer the Contract R&D Support Services division namely Xerox Research Centre India (XRCI), a division of the Company located at Bangalore to Xerox Business Services India Pvt. Ltd. (subsequently re-named as Xerox Business Services India LLP), a group entity having common ultimate parent/promoter/holding company, as a going concern on slump sale basis, subject to approval of the shareholders of the Company. Post obtaining the requisite approval from the shareholders through a the process of postal ballot (results of which were declared on December 13, 2016), a Business Transfer Agreement was executed by the Company with Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.) towards the to aforesaid transfer with effect from January 01, 2017. For the purpose of the aforesaid transfer, The Company had undertaken an enterprise valuation by an independent valuer and accordingly the aforesaid division business was transferred for a consideration (net of stamp duty) of Rs.4,209.50. Fixed assets, current assets, current liabilities amounting Rs. 761.15, Rs.183.35, Rs. 172.14 respectively was transferred and accordingly a gain of Rs.3,437.14 was recorded as an exceptional item.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

27. Contingent liabilities

a) Statutory matters:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Contingent liabilities, net of provisions amounting to Rs.224.12 (March 31, 2017 Rs.220.13, April 1,2016 Rs. 214.28) in respect of pending legal suits that are not acknowledged as debts.	629.69	601.43	729.64
ii) Disputed Income tax demands including interest, net of provision Rs. 973.11 (March 31, 2017 Rs. 851.63, April 1, 2016 Rs. 851.63) against which the company/ authorities have preferred an appeal against the orders. The company has deposited Rs.4,937.51 (March 31, 2017 Rs.4,041.55, April 1, 2016 Rs.4,041.55) against such litigations. During the year, demands aggregating Rs. 928.30 was deleted, contingent demand has been increased by interest of Rs.571.61 on unpaid contingent demands.	10,365.91	10,844.09	10,264.87
iii) Sales tax demands, net of provision of Rs.2,277.63 (March 31, 2017 Rs.2,473.47, April 1, 2016 Rs. 2,361.42) disputed by the company against which the company has preferred an appeal. The company has deposited Rs.1,695.53 (March 31, 2017 Rs.1,909.77, April 1, 2016 Rs. 1,881.37) against all Sales tax demands. During the year demands aggregating to Rs.441.55 have been received during the year. Demand of Rs.350.95 has been settled during the year.	1,035.76	983.45	712.99
iv) Excise duty demands, net of provision of Rs.538.37 (Rs.472.69 as on March 31, 2017, Rs. 37.27 as on April 1, 2016) disputed by the company/ department against which the company has preferred an appeal. Amount deposited by the company is Rs.37.27 (March 31, 2017 Rs.37.27, April 1, 2016 Rs.37.27)	7,063.97	7,129.65	7,401.40
v) On October 23, 2007 the Company received a show cause notice from the Commissioner of Service Tax, New Delhi for evasion of service tax on leasing & financing services for the period August 16, 2003 to November 4, 2004. The Company has filed a reply to the show cause notice in 2007. An order of the Commissioner of Service was received on February 14, 2013 demanding Rs.65.11 with penalty of Rs.75.01. The Company has filed an appeal against said Order with Tribunal on May 14, 2013 . A full and unconditional stay has been granted by the Tribunal vide Order dated August 30, 2013.	140.12	140.12	140.12
vi) The Company has received nine show cause notices from the Commissioner of Service Tax, New Delhi for the period May' 06 to Jun 12 for claiming material abatement on maintenance & printing contracts. of the above nine show cause notices, first three notices were adjudicated vide Order dated November 30, 2010 dropping demand raised in first and providing partial relief in other two. Other five notices were adjudicated vide Order dated December 31, 2013 giving partial relief of Rs. 1175.50 & last one notice has also adjudicated vide Order dated July 27, 2015 giving partial relief of Rs. 596.50 & against this relief department has also filed an appeal before CESTAT, New Delhi. Company has also deposited amount of Rs.70.46 for entertain the appeal before CESTAT Delhi. And on first two	9,975.22	9,975.22	9,706.33

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
SCN's department has filed an appeal before CESTAT against relief given on Rs.268.89 in paper sale/full material sale under XGS. The Company received in Apr'18, two Orders dt. 13-Mar-18 and 20-Mar-18 passed by CESTAT, Chandigarh allowing the Company appeals (and dismissing Revenue appeals) in 8 show cause notices for the period May'06 to Sep'11. The amount of contingency shown in this disclosure also include the amount of Rs. 8345.23 pertaining to said 8 show cause notices for which favourable order has been received, as Revenue is expected to file SLP in Supreme Court.			

It is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above, pending resolution of the respective proceedings.

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the company or the claimants as the case may be and therefore cannot be predicted accurately. The company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

28. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for against which advance has not been paid, Rs.NIL (March 31, 2017 Rs.24.72 ; April 1, 2016 Rs. 352.29).

29. Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products		
- Traded goods	19,020.94	19,438.22
Sale of services	28,896.20	23,382.25
Other operating revenue		
- Software support services	6,190.58	5,043.83
- Business support services	634.66	4,432.55
Total	54,742.38	52,296.85
Details of sales (Traded goods)		
Equipment	11,506.17	10,490.38
Paper	3,678.61	4,385.24
Components	3,836.16	4,562.60
	19,020.94	19,438.22

Critical judgements in calculating amounts

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information current and projected, historical experience and contractual and legal obligations. The level of accrual is reviewed and adjusted regularly in the light of past experience, projected market conditions etc. Because the amounts are estimated it may differ from the final outcome, which could affect the future results of the Company.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

30. Other income

Interest income from financial assets at amortised cost	
Interest Income on finance lease receivables	
Net foreign exchange differences	
Unwinding of discount on security deposits	
Liabilities / provisions written back to the extent no longer required	
Net gain/ (Loss) on disposal of property, plant and equipment	
Scrap sale	
Miscellaneous income	
Fair value gains / (losses) on derivatives not designated as hedge*	
Total	

* Not designated to hedge accounting relationship

	Year ended March 31, 2018	Year ended March 31, 2017
	716.07	442.26
	48.70	26.12
	322.85	393.59
	16.60	20.99
	-	64.91
	(8.51)	6.23
	0.05	0.20
	375.53	103.07
	(10.45)	(35.90)
Total	1,460.84	1,021.47

31. Purchase of goods and services

Purchase of services and components for sale and servicing of field machines (including warranty costs)	
Purchase of traded goods	
Provision for obsolescence of inventories	
Total	

Details of consumption and purchases

a. Purchase of traded goods

Equipment	
Paper	
Total	

	18,580.26	15,759.67
	13,083.18	12,698.67
	284.99	3.44
Total	31,948.43	28,461.78
	9,569.75	8,509.37
	3,513.44	4,189.30
Total	13,083.19	12,698.67

32. Change in inventories of goods

Traded goods

- At the beginning of the year
- At the end of the year

Components for sale and servicing of field machines

- At the beginning of the year
- At the end of the year

(Increase) / decrease in inventories

	694.88	815.32
	1,145.13	694.88
	(450.25)	120.44
	3,459.57	3,649.74
	3,495.91	3,459.57
	(36.34)	190.17
(Increase) / decrease in inventories	(486.59)	310.61

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

33. Employee benefit expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	8,780.22	10,217.73
Contribution to Provident and other funds (refer note 33 (b) below)	378.86	433.70
Group settled share based payment	48.53	(42.70)
Gratuity (refer note 33 (b) below)	91.42	121.23
Staff welfare	37.43	56.91
Total	9,336.46	10,786.87
(a) Contribution to provident and other funds		
Amount recognised in the Statement of Profit and Loss:		
- Provident fund	215.85	279.37
- Pension fund	104.80	94.89
- Superannuation	57.12	58.45
- Labour welfare fund	1.09	0.99
Total	378.86	433.70

Employee benefits payable

a) Leave encashment:

The leave obligations cover the group's liability for earned leave. The entire amount of the provision is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

b) Defined benefit plans

Provident fund: Provident fund for certain eligible employees is managed by the company through the "Xerox India Employees' Provident Fund Trust", in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee.

Gratuity: Gratuity for the eligible employees is managed by contributing all ascertained liabilities to a fund set up by the Company and administered by a board of trustees, which has taken two Gratuity cum insurance policies with the Life Insurance Corporation of India to cover the gratuity liability of the employees. Every employee is entitled to a benefit in line with the Payment of Gratuity Act, 1972, which is payable at the time of separation from the company or retirement, whichever is earlier. The benefit vest after five years of continuous service.

Gratuity

	Present value of obligation	Fair value of plan assets
April 1, 2016	846.70	1,054.61
Current service cost	137.87	-
Interest expense/(income)	67.74	84.37
Total amount recognised in profit or loss	205.61	84.37

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	Present value of obligation	Fair value of plan assets
<i>Remeasurements</i>		
Return on plan assets, excluding amounts included in interest expense/(income)	-	8.94
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	40.72	-
(Gain)/loss from experience adjustment	(69.13)	-
Total amount recognised in other comprehensive income	(28.42)	8.94
Adjustment due to business transfer	(114.14)	-
Employer contributions	-	142.08
Benefit payments	(46.06)	(46.06)
March 31, 2017	863.69	1,243.94
April 1, 2017	863.69	1,243.94
Current service cost	120.09	-
Interest expense/(income)	65.12	93.79
Total amount recognised in profit or loss	185.21	93.79
<i>Remeasurements</i>		
Return on plan assets, excluding amounts included in interest expense/(income)		
(Gain)/loss from change in demographic assumptions	(42.92)	-
(Gain)/loss from change in financial assumptions	(104.47)	-
Experience (gains)/losses	(28.48)	(2.45)
Total amount recognised in other comprehensive income	(175.87)	(2.45)
Employer contributions	-	2.17
Benefit payments	(37.70)	(37.70)
	835.34	1,299.75

March 31, 2018

Present value of funded obligations	835.34	863.69	846.70
Fair value of plan assets	1,299.75	1,243.94	1,054.61
Surplus of funded plan before asset ceiling	464.41	380.25	207.91
Impact of Asset ceiling	-	-	-
Surplus of funded plan after asset ceiling	464.41	380.25	207.91

	March 31, 2018	March 31, 2017	April 1, 2016
Present value of funded obligations	835.34	863.69	846.70
Fair value of plan assets	1,299.75	1,243.94	1,054.61
Surplus of funded plan before asset ceiling	464.41	380.25	207.91
Impact of Asset ceiling	-	-	-
Surplus of funded plan after asset ceiling	464.41	380.25	207.91

Provident Fund

	Present value of obligation	Fair value of plan assets
April 1, 2016	5,808.64	6,096.54
Current service cost	279.37	-
Interest expense/(income)	464.69	464.69
Total	744.06	464.69

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	Present value of obligation	Fair value of plan assets
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	50.98
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	0.90	-
Experience (gains)/losses	55.40	-
Total	56.30	50.98
Settlements/Transfer In	221.23	221.23
Employer contributions	-	279.37
Employer/Employee contributions	446.89	446.89
Benefit payments	(623.77)	(623.77)
March 31, 2017	6,653.36	6,935.94
April 1, 2017	6,653.36	6,935.94
Current service cost	215.86	-
Interest expense/(income)	501.66	501.66
Total	717.52	501.66
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	26.91
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(0.19)	-
Experience (gains)/losses	73.55	-
Total	73.37	26.91
Settlements/Transfer In	227.31	185.69
Employer contributions	409.52	215.86
Benefit payments	(1,031.90)	(1,031.90)
Employee contributions		409.52
March 31, 2018	7,049.17	7,243.68

	March 31, 2018	March 31, 2017	April 1, 2016
Present value of funded obligations	7,049.17	6,653.36	5,808.64
Fair value of plan assets	7,242.47	6,935.94	6,096.54
Surplus of funded plan before asset ceiling	193.30	282.59	287.90
Impact of Asset ceiling	-	-	-
Surplus of funded plan after asset ceiling	193.30	282.59	287.90

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Gratuity	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.63%	7.54%	8.00%
Salary growth rate	9.00%	10.00%	10.00%
Provident fund			
Discount rate	7.63%	7.54%	8.00%
Expected Statutory Rate on Ledger Balance	8.65%	8.65%	8.75%
Expected Shortfall in interest rate	0.05%	0.05%	0.05%

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Gratuity March 31, 2018	Provident Fund March 31, 2018
Impact of Change in discount rate		
Present Value of Obligation at the end of period	835.34	7,049.17
1) impact due to 0.5% increase	(37.61)	(1.00)
2) impact due to 0.5% decrease	40.46	1.06
Impact of Change in salary growth rate		
Present Value of Obligation at the end of period	835.34	
1) impact due to 0.5% increase	39.74	
2) impact due to 0.5% decrease	(37.31)	
	March 31, 2017	March 31, 2017
Impact of Change in discount rate		
1) impact due to 0.5% increase	(46.43)	(0.98)
2) impact due to 0.5% decrease	50.40	1.03
Impact of Change in salary growth rate		
1) impact due to 0.5% increase	48.99	
2) impact due to 0.5% decrease	(45.63)	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The major categories of plans assets for Provident Fund are as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Government securities (Central & state)	52%	49%	47%
Corporate bonds/debentures/loans	0%	0%	0%
Equity shares of listed companies	3%	2%	1%
Fixed deposits under special deposit scheme of central government	0%	0%	0%
Public sector unit bonds	44%	47%	49%
Fixed deposits and money market instruments	0%	0%	0%
Others	1%	2%	3%
Total	100%	100%	100%

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

- Salary Increases-** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk-** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability-** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals-** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The company's best estimate of contribution towards Gratuity is Rs.111.34 and towards Provident Fund is Rs.290.97 for the year ending 31 March 2019.

The weighted average duration of Gratuity is 12.69 years (31 March 2017 – 17.43 years, April 1 2016- 17.57 years). The weighted average duration of provident fund is 12.69 years (31 March 2017 – 17.48 years). The expected maturity analysis of undiscounted gratuity and provident fund is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
March 31, 2018					
Defined benefit obligation (gratuity)	39.86	22.99	174.67	597.81	835.34
Defined benefit obligation (provident fund)	3,516.00	65.00	476.00	2,962.00	7,019.00
Total	3,555.86	87.99	650.67	3,559.81	7,854.34
March 31, 2017					
Defined benefit obligation (gratuity)	30.35	38.61	125.96	668.77	863.69
Defined benefit obligation (provident fund)	3,722.05	4.10	366.00	2,560.90	6,653.05
Total	3,752.40	42.71	491.96	3,229.67	7,516.74
April 1, 2016					
Defined benefit obligation (gratuity)	10.25	32.60	95.66	708.19	846.70
Defined benefit obligation (provident fund)	2,308.00	106.00	189.00	4,446.00	7,049.00
Total	2,318.25	138.60	284.66	5,154.19	7,895.70

34. Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest		
- Interest on advance income tax	16.57	-
- Others	0.66	-
Factoring cost	(0.00)	54.44
Unwinding of discount on provisions	4.68	4.76
Total	21.91	59.20

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

35. Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on property, plant and equipment	1,039.11	1,507.43
Amortisation of intangible assets	79.39	68.75
Total	1,118.50	1,576.18

36. Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Consumables and spare parts - own use equipments	23.07	23.65
Charity and Donations	75.41	35.26
Repair and Maintenance - others	231.69	374.47
Bad debts and advances written off	-	33.41
Less: Provision for bad debts and advances written back	-	(33.41)
Provision/(Release) for doubtful advances	281.47	62.62
Provision for doubtful debts	67.40	36.82
Provision for litigations and disputes	115.64	158.88
Electricity expenses	128.98	160.51
Rates and taxes	45.99	67.80
General expenses	213.32	257.56
Rent	569.31	753.14
Bank charges	13.24	12.05
Insurance	165.38	122.55
Legal and professional expenses	710.69	493.00
Auditors' Remuneration		
- Statutory audit	43.00	52.24
- Other services	1.25	1.34
- Reimbursement of expenses	1.03	1.05
Printing and stationery	9.18	12.70
Cost of services purchased	1,036.57	1,336.48
Communication expenses	111.53	185.55
Sales commission and Incentives and discounts	-	1.08
Fixed assets written off	6.04	90.03
Advertisement and publicity	172.97	191.19
Transportation and warehousing	1,462.51	1,427.15
Conveyance and travelling	1,013.98	1,277.25
Total	6,499.65	7,134.37

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

37. Earnings per share (EPS)

The following is a computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Net profit after tax	4,611.79	6,003.80
(b) Weighted average number of equity shares outstanding during the year	448.08	448.08
(c) Nominal value of equity shares (Rs.)	10.00	10.00
(d) Basic/diluted* earnings per share (Rs.)	10.29	13.40

*There are no potential dilutive equity shares

38. Related party transactions

In the normal course of business, the company enters into transactions with its parent company and other affiliated companies. The names of related parties of the company as required to be disclosed under Accounting Standard 18 is as follows:

(a) The Company is controlled by the following entity:

Ultimate holding/parent company	Xerox Corporation, USA
Ownership Interest as at March 31, 2018	96.66%
as at April 1, 2016 and March 31, 2017	91.87%
Entities exercising significant Influence in the company:	Xerox Limited, UK XC Trading Singapore Pte Limited

(b) Other Related parties with whom transactions have taken place during the year:

Fellow subsidiaries and other companies/ entities which do not exercise control or significant influence over the company:	Conduent India Pvt Limited (erstwhile Xerox Business Services India LLP) Xerox (Europe) Limited Xerox Egypt S.A.E. Xerox Technology Services India LLP Fuji Xerox Co Limited
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Key Managerial Personnel as per The Companies Act, 2013

Ashraf M. A. Elarman- Managing Director (from June 22, 2015 to December 31, 2017)
Raj Kumar Rishi - Managing Director (from December 15, 2017)
Satpreet Singh- Chief Financial Officer (from February 01, 2016)
Rajiv L. Jha - Company Secretary & GM Legal (from March 24, 2015)
Rajat Jain - Non Executive Director (upto December 31, 2017)
Prakash K Iyer - Independent Director (from March 03, 2015)
Rishi K Srivastava- Independent Director (from March 03, 2015)

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Key management personnel compensation

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	753.29	523.98
Post-employment benefits	33.34	64.07
Director sitting fee	39.04	34.17
Total compensation	825.67	622.22

Included in the financial statements are the following amounts relating to transactions with related parties:

(a) Revenue

	Year ended March 31, 2018	Year ended March 31, 2017
Ultimate holding/parent company		
Xerox Corporation, USA		
- Sale of products	1.56	-
Other operating revenue	6,190.58	5,043.83
- Software support services	214.97	4,035.72
Entities exercising significant Influence in the company:		
Xerox Limited, UK		
- Product sale	38.38	99.55
- Other income	102.92	100.26
- Software support services	65.99	92.27
XC Trading Singapore Pte Limited		
- Software support services	296.73	304.56
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
Conduent India Pvt Limited (erstwhile Xerox Business Services India LLP)		
- Sale of products/ services	-	79.31
- Sale of business (net of stamp duty)	-	4,209.50
Xerox Technology Services India LLP	156.76	-

(b) Reimbursement of expenses paid on their behalf

Ultimate holding/parent company		
- Xerox Corporation, USA	3.08	111.34
Entities exercising significant Influence in the company:		
- Xerox Limited, UK	127.37	96.96

(c) Expenses

Ultimate holding/parent company		
Xerox Corporation, USA		
- Purchases	-	0.78
- Reimbursement of salary paid on our behalf	47.55	89.48

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	Year ended March 31, 2018	Year ended March 31, 2017
- Other expenses	9.34	165.63
Entities exercising significant Influence in the company:		
Xerox Limited, UK		
- Purchases (including purchase of equipment)	22,189.77	18,927.53
- Other expenses	16.96	98.93
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
Fuji Xerox Co Limited		
- Reimbursement of salary paid on our behalf	57.32	59.60
Xerox Egypt SAE		
- Reimbursement of salary paid on our behalf	-	0.71
- Other expenses	-	-
Xerox Technology Services India LLP	111.34	-
-Others Services	-	-
(d) Others		
- Reimbursement of salary paid on our behalf	-	11.45
- Other expenses	34.16	42.06
(e) Balance outstanding as at the year end		
Receivables		
Ultimate holding/parent company		
- Xerox Corporation, USA	706.85	912.75
Entities exercising significant Influence in the company:		
- Xerox Limited, UK	33.48	51.15
- XC Trading Singapore Pte Limited	36.71	15.93
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
- Conduent India Pvt Limited (erstwhile Xerox Business Services India LLP)	-	37.72
- Others	-	-
Xerox Technology Services India LLP	19.72	-
Payables		
Ultimate holding/parent company		
- Xerox Corporation, USA	2.05	1.80
Enterprise having substantial interest in the company		
- Xerox Limited, UK	4,613.25	2,190.14
- Others	5.73	2.75
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
- Fuji Xerox Co Ltd	14.63	4.02
- Xerox Technology Services India LLP	28.30	-

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Note:

1. The name of related parties is based on information provided by Xerox Corporation, USA.
2. Terms and conditions:

All transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

39. Leases

(a) Operating leases where the company is a lessee:

The Company has taken office premises on operating leases. These lease arrangements range for a period between 11 months and 09 years, which include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms.

Lease payments recognised in the Statement of Profit and Loss during the year

With respect to non-cancellable operating leases, the future minimum lease payments are as follows :

Not later than one year

Later than one year but not later than five years

More than five years

	Year ended March 31, 2018	Year ended March 31, 2017
Lease payments recognised in the Statement of Profit and Loss during the year	569.31	753.14
With respect to non-cancellable operating leases, the future minimum lease payments are as follows :		
Not later than one year	26.20	27.10
Later than one year but not later than five years	18.04	42.09
More than five years	-	-

(b) Operating leases where the company is a lessor :

The Company has given certain asset-equipments on leases arrangement ranging for period 3-5 years.

(i) Gross carrying amount

(ii) Accumulated Depreciation

(iii) Depreciation provided during the year

(i) Gross carrying amount	4,286.53	2,878.22
(ii) Accumulated Depreciation	1,801.58	1,047.98
(iii) Depreciation provided during the year	788.80	1,056.34

(c) Finance leases where the company is a lessor :

The Company has given certain asset-equipments on leases arrangement ranging for period 4-5 years.

	As at March 31, 2018		
	Future minimum lease payments	Finance cost	Present value of minimum lease payments
Within one year	218.48	53.61	164.87
Later than one year but not later than five years	492.27	71.46	420.81
Later than five years	-	-	-
	As at March 31, 2017		
	Future minimum lease payments	Finance cost	Present value of minimum lease payments
Within one year	124.80	30.38	94.42
Later than one year but not later than five years	276.84	38.59	238.25
Later than five years	-	-	-

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	As at April 1, 2016		
	Future minimum lease payments	Finance cost	Present value of minimum lease payments
Within one year	88.34	19.92	68.42
Later than one year but not later than five years	174.21	21.43	152.78
Later than five years	-	-	-

40. Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	49.64	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, other than Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
Further interest remaining due and payable for earlier years	-	-	-

The above disclosure is based on information available with the company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006.

41. Managerial Remuneration

(a) Managerial remuneration under Section 197 of the Companies Act, 2013 paid to the Managing Director of the Company is as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Salary and other perquisites *	615.52	410.53
Provident fund *	26.18	26.32
Total	641.70	436.85

* the payment has been made to the Managing Director for the period beginning April 1, 2017 (Previous year the payment was from Apr 1, 2016 till March 31, 2017.)

As no commission is payable to the Directors, the computation of net profits in accordance with Section 197(8) read with Section 198 of the Companies Act, 2013 has not been given.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

- (b) With reference to the approval granted by the Ministry of Corporate Affairs (MCA) vide its letter No. 12/1055/2007-CL.VII dated December 8, 2008 and SRN No. A54650601-CL.VII dated June 30, 2009 in respect of managerial remuneration paid to a former whole time director for the year ended March 31, 2009, the Company, over the years, wrote to MCA seeking clarification on inclusion of perquisites in the approved remuneration as aforesaid as well as sought approval from MCA for payment of excess managerial remuneration of Rs. 19.76 as paid by the Company to the managerial personnel during the said financial year 2008-09. The said excess managerial remuneration was computed based on Section I of Part II of Schedule XIII to the erstwhile Companies Act, 1956 (hereinafter "the Act"), as VRS expenditure being a non-deductible item in the computation of the net profits under the provisions of Section 349 of the Act.

In the absence of clarification/approval from MCA as aforesaid, the excess managerial remuneration (amounting to Rs. 19.76) pertaining to the financial year 2008-09 was first accounted for by the Company as recoverable (in the audited financial statements for FY 2015-16) under the provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956) by disclosing the same under "Miscellaneous Income". The said audited financial statements (of FY 2015-16) was subsequently approved and adopted by the shareholders of the Company in the 20th AGM held on 27.09.2016 and accordingly the Company submitted a letter (in October 2016) with the MCA withdrawing its application seeking approval to the payment of aforesaid excess remuneration. Thereafter, based on the aforesaid, during the financial year 2016-17, the Company recovered Rs. 19.76 of excess managerial remuneration (pertaining to FY 2008-09) from its parent company on behalf of the concerned managerial personnel. Such recovery was subsequently approved by the shareholders in the last Annual General Meeting (21st AGM) held on 28.09.2017, and necessary filing of the audited financial statements of FY 2016-17 was also done by the Company with the Registrar of Companies in October 2017.

42. Other Notes

(a) Disclosures

Subsequent to the submission of the required information with the Directorate of Enforcement ("ED") in the FY 2014-15 relating to the trading activities undertaken by the Company during the years 2000-2003, the Company (vide its letter dt. 8th September 2014) requested the Reserve Bank of India (RBI) for clarity on the approval requirement with respect to the aforesaid trading activities undertaken by the Company. To that, RBI issued a letter (dt. 23rd November 2016) to the Company stating that in terms of Press Note 2 of 2000 dated February 11, 2000, FDI in cash and carry wholesale trading required prior approval of the Foreign Investment Promotion Board (FIPB).

Presently, the Company's application/re-presentation (submitted on 24th November 2017) seeking post-facto approval to the aforesaid trading activities is under process with Department of Industrial Policy and Promotion (DIPP) which took over from the FIPB after its dis-banding in June 2017.

Prior to that, pursuant to the aforesaid RBI letter, the Company submitted applications with FIPB on 29th December 2016 and 23rd May 2017 (which was processed by DIPP). However, both these applications got rejected by FIPB on technical grounds (vide its letter dated 24th April 2017 citing, inter alia, that the Company did not seek specific approval) and thereafter by DIPP (vide its letter dated 25th August 2017 citing that no merit was found to change the earlier decision of the Govt. as communicated vide the said FIPB letter of 24th April 2017).

Considering the above, based on the legal opinion, the management is of the view that an estimate of the financial liability on the Company cannot be determined with reasonable certainty at this point in time as the same may depend on various factors viz. view taken by DIPP in relation to the Company's re-presentation, the aggregate foreign investment in the Company, revenue and profits earned from the trading activities during the years 2000-2003, comments, if any, of ED on the matter. Accordingly, liability would be recognised in the year such uncertainty gets resolved.

b) Criminal complaint:

In March 2003, the Company filed a criminal complaint under Section 200 of the Code of Criminal Procedure for offences punishable u/s 120B read with Sections 408, 468 and 471 of the Indian Penal Code against a former employee of the Company and an entity to which the payments were alleged to have been made for services to secure refunds from the Income Tax Authorities. In this case, the complaint had been filed by the Company and even if the case is decided against the Company, there can be no financial exposure to the Company. The matter is presently sub-judice.

43. Rampur closure:

Pursuant to the approval of the shareholders of the Company in their Extra-Ordinary General Meeting held on March 25, 2010 for disposal of Rampur undertaking, the Company closed the said undertaking w.e.f. March 31, 2010 and accordingly, initiated the process for its disposal. The said disposal was subject to entering into definitive agreements and obtaining of regulatory approvals thereof.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

During FY 2011-12, the Company entered into an agreement with Modipur Devices Pvt. Ltd. for sale of the aforesaid undertaking including the leasehold land, controlled land, freehold land, buildings and other assets at Rampur for an aggregate consideration of Rs. 2250, out of which Rs. 1150 was received by the Company in the financial year 2011-12 and the balance in the financial year 2013-14. However, the sale of undertaking had not been recognised in the books pending registration of the deed of conveyance/sale deed or assignment of lease. The registration of the deed of conveyance/sale deed or assignment of lease was conditional upon the obtaining of necessary regulatory approval which has been awaited.

In respect of the aforesaid leasehold land, during the financial year ended March 31, 2016, the first tranche of lease (i.e. first 30 years out of the three tranches/sub-terms of total lease term for 90 years) granted by the relevant Government to the Company expired on September 20, 2015. However, much prior to the said expiry, the Company wrote several letters to the relevant Government department/authority requesting renewal/extension of the lease for the second tranche of 30 years as well as permission for assignment/transfer of leasehold land in favour of Modipur Devices Pvt. Ltd. Further, in March 2016, the Company received a letter from the concerned Government Department seeking explanation with respect to the renewal of the lease, which was appropriately replied by the Company in April 2016.

During the FY 2016-17, the concerned Government Department announced a scheme (vide notification no. 10-638/77-3-16-9 dt. April 29, 2016) providing for conversion of leasehold land into freehold land. In order to achieve the objective of the aforesaid agreement, the Company, accordingly, applied to the concerned Government Department (vide its application dated July 14, 2016) for allowing conversion of the said leasehold land into freehold land as well as transfer of the said freehold land (upon conversion) in favour of Modipur Devices Pvt. Ltd. However, the concerned Government Department returned the conversion application with an advice to complete the process of renewal first and then re-apply. Pending such approvals, the assets (including leasehold land) attributable to the said undertaking have been classified as assets held for sale.

44. The company has a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the company appoints independent consultants for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises are undertaken, during the financial year, on an "arms length basis". Adjustments, if any, arising from the transfer pricing study shall be accounted for as and when the study is completed for the current financial year. However the management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation. The transfer pricing study for the financial year 2016-17 did not result in any adjustment.

45. Expenditure on Corporate Social Responsibility Activities

(a) Gross amount required to be spent by the Company during the year: Rs. 75.43

(b) Amount spent during the year : Rs. 75.55

46. Financial risk management

The company's activities expose it to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks.

The Company's senior management ensures that 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. All derivative activities to protect the currency exposure risk are carried out by the team that have the appropriate skills, experience and supervision.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and from its financial activities including deposits with banks. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade and other receivables

The Trade receivables of the Company are usually un-secured and derived from services rendered or sales made to a large number of contract based as well as independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. In determining the allowances

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

for doubtful trade receivables the Company has used a simplified approach by computing the expected credit loss (ECL) allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information.

Reconciliation of ECL provision – Trade receivables

ECL provision on 1 April 2016	1,001.88
Changes in ECL provision during the year including bad debts written off against provision	(168.66)
ECL provision on 31 March 2017	833.22
Changes in ECL provision during the year including bad debts written off against provision	102.76
ECL provision on 31 March 2018	935.98

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits accounts in different banks.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents and cash generated from operations will satisfy its working capital needs, capital expenditure, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Overdraft Fund Limit	916.70	915.00	1,761.00
Non fund based limit	6,107.60	7,395.00	7,709.60

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual maturities of financial liabilities:

	Carrying Amount	Payable within 1 year	Payable after 1 year
March 31, 2018			
Trade payables	7,063.53	7,063.53	-
Other financial liabilities	1,646.65	1,615.25	31.40
Total	8,710.18	8,678.78	31.40

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	Carrying Amount	Payable within 1 year	Payable after 1 year
March 31, 2017			
Trade payables	4,018.12	4,018.12	-
Other financial liabilities	1,515.52	1,454.02	61.50
Total	5,533.64	5,472.14	61.50
April 1, 2016			
Trade payables	5,238.53	5,238.53	-
Other financial liabilities	1,560.56	1,519.39	41.17
Total	6,799.09	6,757.92	41.17

(C) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Exposures are broadly categorised into receivables and payable exposures. The Company manages its foreign currency risk by entering into derivatives on net exposures, i.e. netting off the receivable and payable exposures in order to take full benefit of Natural Hedge.

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	31 March 2018 USD	31 March 2017 USD	01 April 2016 USD
Exposure to foreign currency risk (assets)			
Financial assets			
EEFC Account Balance	542.53	125.14	4.17
Trade receivables	724.37	962.82	1,795.86
Net exposure to foreign currency risk (assets)	1,266.90	1,087.96	1,800.03
Exposure to foreign currency risk (liabilities)			
Trade payables	4,683.31	2,238.13	2,923.36
Foreign exchange forward contracts (Buy USD)	3,156.08	1,813.75	1,560.45
Net exposure to foreign currency risk (liabilities)	1,527.23	424.38	1,362.91

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Other than above (USD), the Company has unhedged foreign currency exposure expressed in INR, are as follows:

	31 March, 2018	31 March, 2017	1 April, 2016
Trade payables			
GBP	11.70	3.05	16.49
JPY	14.15	4.02	3.01
EURO	10.83	2.87	2.00

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments:

	31 March, 2018	31 March, 2017
Impact on profit after tax		
USD sensitivity*		
INR/USD Appreciates by 2.5%	(55.85)	(18.80)
INR/USD Depreciates by 2.5%	55.85	18.80

* Holding all other variables constant

47. Capital management

The company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2017 and March 31, 2018.

48. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2.1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

The transition as at 1 April 2016 to Ind AS was carried out from Previous GAAP. The exemptions and exceptions applied by the Company in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, the reconciliation of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below:

A.1 Ind AS optional exemptions

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this.

Share based payment transactions

The Company has elected not to apply Ind AS 102 Share-Based Payment, to equity instruments that vested prior to the date of transition to Ind AS.

Cumulative translation differences

Ind AS 21 requires exchange differences arising on translation of foreign operations to be recognised in other comprehensive income and then recognised as income or expense on disposal of the foreign entity to which they relate. These are known as 'cumulative translation differences'. Ind AS 101 contains an exemption which relieves entities from retrospective application of Ind AS 21 to determine the cumulative translation difference. A first-time adopter may elect not to calculate the translation difference related to foreign operations retrospectively. Instead, an entity may reset translation differences at the date of transition, determined in accordance with previous GAAP, to zero. The requirements of Ind AS 21 are then applied prospectively from the date of transition. The gain or loss on subsequent disposal of a foreign operation will only include foreign exchange differences that arose after the date of transition.

A.2 Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

I) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition April 1, 2016 and as at March 31, 2017

	Notes to first-time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		26,660.59	20,748.86
Adjustments			
Fair valuation of security deposits	1	(1.52)	(8.00)
Discounting of provision for retention bonus	2	2.37	2.08
Impact of separate identifiable components in revenue contracts	7	(63.61)	-
Change in depreciation method	8	68.24	
Impact of lease equalisation		(20.81)	(60.00)
Arrangements/ contracts containing a lease	4	101.07	77.38
		-	-
Tax effects of adjustments	3	(31.63)	(6.73)
Total adjustments		54.11	4.74
Total equity as per Ind AS		26,714.70	20,753.60

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

	Notes to first-time adoption	March 31, 2017
Reconciliation of total comprehensive income for the year ended March 31, 2017		March 31, 2017
Profit after tax as per previous GAAP		5,894.34
Adjustments		
Fair valuation of security deposits	1	6.48
Discounting of provision for retention bonus	2	0.29
Share based payment	6	42.70
Impact of separate identifiable components in revenue contracts	7	(63.61)
Remeasurements of post-employment benefit obligations		(37.35)
Impact of lease equalisation		39.20
Arrangements/ contracts containing a lease	4	23.69
Change in depreciation method	8	68.24
Tax effects of adjustments	3	(24.92)
Total adjustments		54.72
Profit after tax as per Ind AS		5,949.06
Other comprehensive income	5	54.74
Total comprehensive income as per Ind AS		6,003.80

Impact of IND AS adoption on the statements of cash flows for the year ended March 31, 2017

	Previous GAAP	Adjustments	IND AS
Net cash flow from operating activities	6,090.74	(178.27)	5,912.47
Net cash flow from investing activities	3,240.78	183.03	3,423.81
Net cash flow from financing activities	(54.44)	(4.76)	(59.20)
Net increase/ (decrease) in cash and cash equivalents	9,277.08	-	9,277.08
Cash and cash equivalents as at April 1, 2016	3,393.36	-	3,393.36
Effects of exchange rate changes on cash and cash equivalents	(2.36)	-	(2.36)
Cash and cash equivalents as at March 31, 2017	12,668.08	-	12,668.08

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements

Notes to first-time adoption:

1. Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value, whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Difference between the transaction value and discounted

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

value of the security deposits paid is recognized as deferred asset on prepayment and is amortized over the period of the lease term (along with current and non-current classification). Further, interest is accreted on the present value of the security deposits paid over the period of deposit.

2. Discounting of provision for employee retention bonus

Under Ind AS, provisions for employee retention bonus is to be measured at discounted amounts, if the effect of time value is material. Accordingly, provisions for employee retention bonus have been discounted to their present values. Further interest is accrued on the present value of retention bonus over the vesting period.

3. Deferred tax

Deferred tax have been recognised on transition to Ind AS as per balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

4. Impact of arrangements/contracts containing a lease

Under previous GAAP, assets deployed at the customer's location under GDO contracts had been accounted as fixed assets in the books of the Company. These assets were carried at historical cost and depreciation was charged to the statement of Profit and Loss. The Company has classified certain GDO contracts with customers as finance lease arrangements as per appendix-C to Ind AS 17- leases. Accordingly the investment in the arrangement is recognised as a lease receivable and property, plant & equipment (PPE) have been derecognised from the books of accounts. Each lease receipt is allocated between the lease receivable and interest income from finance lease.

5. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' which includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

6. Share based payment

Certain employees of the Company have been granted long-term incentive plans (i.e. restricted stock units (RSUs), performance shares (PSs) by the ultimate parent Company. Under Indian GAAP, no expense of such a transaction is recognised in Company books. However, under Ind AS, these share based awards have been accounted for as equity settlement plan and expense has been recognized for such incentives at the fair value.

7. Revenue Recognition: separate identifiable component in revenue contracts

Extended Warranty: Under previous GAAP, the Company used to recognise the entire revenue amount upfront at the time of invoicing and recognise the corresponding expense for extended warranty provision. Under Ind AS, the company is required to separate the amount of extended warranty from revenue from sale of equipment based on their relative fair values. Further, the revenue from extended warranty is recognised on straight line basis over the extended warranty period.

Provision of Infrastructure under Bangladesh Bureau of Statistics contract: As per the contract the ownership of the ICR infrastructure (which is one of the separate identifiable component under the contract) will be transferred to BBS on happening of certain events after March 31, 2017. Under Previous GAAP, the Company has recognised revenue for infrastructure component by applying percentage of completion method. Under Ind AS, the Company is required to recognise revenue for Infrastructure component separately as and when the Company has transferred to the customer the significant risks and rewards of ownership of the Infrastructure and has applied percentage of completion as remaining part of the contract.

8. Change in depreciation method

Certain class of property, plant and equipment was being depreciated by written down value method, under previous GAAP. On transition, the Company changed its method of charging depreciation on those assets to straight line to align with Ind AS 16, property plant and equipment principles.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

49. Fair value measurements

Financial instruments by category

	March 31, 2018			March 31, 2017			April 1, 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Trade receivables	-	-	6,065.71	-	-	6,302.60	-	-	7,376.22
Cash and cash equivalents	-	-	19,834.20	-	-	12,668.08	-	-	3,393.36
Other Bank Balances	-	-	4.75	-	-	804.55	-	-	3,240.32
Loans	-	-	211.16	-	-	236.69	-	-	319.15
Other Financial Assets			2,037.23			1,628.62			982.34
Total financial assets	-	-	28,153.05	-	-	21,640.54	-	-	15,311.39
Financial liabilities									
Trade payables	-	-	7,063.53	-	-	4,018.12	-	-	5,238.53
Other Financial Liabilities			1,636.99			1,479.62			1,547.71
Foreign exchange forward contracts*	9.66			35.90			12.85		
Total financial liabilities	9.66	-	8,700.52	35.90	-	5,497.74	12.85	-	6,786.24

* Classified as Level 2 of fair value hierarchy: the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

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[All figures in Rs. lacs, unless otherwise stated]

Fair value hierarchy

	March 31, 2018			March 31, 2017			April 1, 2016		
	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3	Level-1	Level-2	Level-3
Financial assets									
Trade receivables	-	-	6,065.71	-	-	6,302.60	-	-	7,376.22
Cash and cash equivalents	-	-	19,834.20	-	-	12,668.08	-	-	3,393.36
Other Bank Balances	-	-	4.75	-	-	804.55	-	-	3,240.32
Loans	-	-	211.16	-	-	236.69	-	-	319.15
Other Financial Assets	-	-	2,037.23	-	-	1,628.62	-	-	982.34
Total financial assets	-	-	28,153.05	-	-	21,640.54	-	-	15,311.39
Financial liabilities									
Trade payables	-	-	7,063.53	-	-	4,018.12	-	-	5,238.53
Other Financial Liabilities	-	-	1,636.99	-	-	1,479.62	-	-	1,547.71
Total financial liabilities	-	-	8,700.52	-	-	5,497.74	-	-	6,786.24

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year.

(ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of short term trade receivables, trade payables, cash and cash equivalents, other bank balances, security deposits and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of security deposit are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable. There is no material difference between carrying amount and fair value of security deposit as on March 31, 2018, March 31, 2017 and April 1, 2016.

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[All figures in Rs. lacs, unless otherwise stated]

50. Share based payments

Equity settled share based payments

Xerox Corporation, USA have a long-term incentive plan whereby eligible employees of the Company may be granted restricted stock units (RSUs), performance shares (PSs) in order to continue to attract and retain employees and to better align employees' interests with those of the shareholders. Each of these awards is subject to settlement with newly issued shares of common stock of Xerox Corporation.

Restricted stock units: Compensation expense is based upon the grant date market price and is recorded over the vesting period, which is normally three years from the date of grant, based on management's estimate of the number of shares expected to vest.

Performance shares: Vest contingent upon meeting pre-determined cumulative goals for revenue, earnings per Share (EPS) and cash flow from operations, typically over a three-year performance period. If the cumulative three-year actual results exceed the stated targets, then all plan participants have the potential to earn additional shares of common stock up to a maximum overachievement of 100% of the original grant. In 2017, the maximum overachievement that could be earned was changed to 100% (from 25%) for all participants to align their maximum overachievement with that of the officers and selected executives. Previously that level was only available to officers and certain senior executives. All performance shares entitle the holder to one share of common stock, payable after a three-year service period and attainment of the stated goals. The fair value of performance shares is based upon the market price of our stock on the date of the grant. Compensation expense is recognized over the vesting period, which is normally three years from the date of grant, based on management's estimate of the number of shares expected to vest. If the stated targets are not met, any recognized compensation cost would be reversed.

Set out below is a summary of awards granted under the plan:

Particulars	Restricted stock unit No. of shares	Performance shares No. of shares
Outstanding as at April 1, 2016	5,682.00	14,460.00
Granted during year	5,968.00	5,645.00
Forfeited/Expired during year	(4,178.00)	(15,979.00)
Exercised/vested during year	(5,682.00)	(512.00)
Outstanding at the March 31, 2017	1,790.00	3,614.00
Granted during year	4,299.00	836.00
Forfeited/Expired during year	-	-
Exercised/vested during year	-	(914.00)
Outstanding as at March 31, 2018	6,089.00	3,536.00

Weighted average grant date market price of the shares for the awards granted during the year is as follows (US\$):

	31-Mar-18	31-Mar-17
Restricted Stock Unit	28.91	24.74
Performance Shares	28.73	24.63

Awards outstanding at the end of the year have the following expiry date:

Grant Date	Expiry Date	31-Mar-18	31-Mar-17	01-Apr-16
Restricted stock unit				
01-Jul-16	01-Jul-19	1,467.00	1,467.00	-
01-Oct-16	01-Oct-19	323.00	323.00	-
01-Oct-13	01-Oct-16			5,682.00
01-Jul-17	01-Jul-20	2,497.00		
01-Jan-18	01-Jan-19	901.00		
01-Jan-18	01-Jan-20	901.00		
		6,089.00	1,790.00	5,682.00

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[All figures in Rs. lacs, unless otherwise stated]

Grant Date	Expiry Date	31-Mar-18	31-Mar-17	01-Apr-16
Performance shares				
01-Jan-14	01-Jan-17			512.00
01-Jul-14	01-Jul-17		914.00	5,826.00
01-Jul-15	01-Jul-18	1,339.00	1,339.00	8,122.00
01-Jul-16	01-Jul-19	1,361.00	1,361.00	
01-Jul-17	01-Jul-20	836.00		
		3,536.00	3,614.00	14,460.00

Weighted average remaining contractual life outstanding at end of period:

	31-Mar-18	31-Mar-17	01-Apr-16
Restricted Stock Unit	1.68 Years	2.30 Years	0.6 years
Performance Shares	1.11 Years	1.38 Years	1.80 Years

Share based expense

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Share based payments	48.53	(42.70)

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Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

51. Segment Reporting

The Board of directors of the company collectively examines the Company's performance both from a product and geographic perspective and has identified six reportable segments of its business as Global Document Outsourcing, Office, Graphic Communications, Paper and Other support service and Bangladesh Project.

- GDO business segment offers clients a clear path to digital transformation in their internal and external facing operations by optimizing their print infrastructure and simplify their communication and business processes.
- Office segment serves global, national and small to mid-size commercial customers as well as government, education and other public sector customers by providing wide range of color and black-and-white multifunction printers and copiers.
- Graphic communication segment serves customers in the publishing, security printing and Graphic arts industry and large enterprises by providing high end digital colour and monochrome printing devices.
- In paper business, Xerox sells variety of Xerox branded Copy/ print/ digital paper to customers for use in their document processing requirements.
- Under other support services, company provide information technology support services for various software applications, including their day to day maintenance, query resolution and other support activities to the parent organization.
- In Bangladesh Project segment, company is executing a Project in Bangladesh awarded by Bangladesh Bureau of Statistics for creating a database by providing assistance in questionnaire printing, data capture and processing using ICR technology.

Reportable Segments	Year ended March 31, 2018						Year ended March 31, 2017							
	Global document outsourcing	Office	Graphic communication	Paper	Other Support Services	Bangladesh Project	Total	Global document outsourcing	Office	Graphic communication	Paper	Other Support Services	Bangladesh Project	Total
Segment Revenue	10,447.40	10,487.94	18,660.52	3,678.61	6,825.24	4,642.67	54,742.38	8,563.20	10,132.08	19,181.21	4,385.22	9,476.38	558.77	52,296.85
Segment Result	3,979.54	3,255.46	5,992.14	146.62	1,024.63	2,116.74	16,515.13	2,699.82	3,431.60	5,742.09	176.65	906.68	155.17	13,112.01
Unallocated Other Expenses	-	-	-	-	-	-	(10,189.21)	-	-	-	-	-	-	(9,084.97)
Other Income	-	-	-	-	-	-	1,460.84	-	-	-	-	-	-	1,021.47
Profit on sale of undertaking	-	-	-	-	-	-	-	-	-	-	-	3,437.14	-	3,437.14
Finance Costs	-	-	-	-	-	-	(21.91)	-	-	-	-	-	-	(59.20)
Tax expense	-	-	-	-	-	-	(3,239.92)	-	-	-	-	-	-	(2,464.46)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	86.85	-	-	-	-	-	-	41.81
Total comprehensive (loss)/ gain for the year							4,611.79							6,003.80

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

51. Segment Reporting continued...

Other Information	Year ended March 31, 2018						Year ended March 31, 2017							
	3,002.28	1,595.58	2,218.59	3.52	219.09	349.06	7,388.12	1,966.10	1,124.29	2,209.06	14.22	341.07	802.14	6,456.87
Segment assets	1,316.63	**	**	183.55	-	50.87	4,765.21	1,364.17	**	**	196.92	912.75	1,016.97	5,167.75
Trade receivables	830.10	-	58.58	-	-	411.83	1,300.51	1,083.74	-	51.11	-	-	-	1,134.85
Accrued revenue	-	-	-	-	-	-	35,743.28	-	-	-	-	-	-	29,057.70
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets							49,197.12							41,817.17
Trade payable	420.32	**	**	85.50	-	210.53	7,063.53	55.39	**	**	192.69	-	278.06	4,018.12
Accruals	394.91	-	-	-	-	149.01	543.92	296.22	-	-	-	-	761.57	1,057.79
Unallocated liabilities	-	-	-	-	-	-	41,589.67	-	-	-	-	-	-	36,741.25
Total liabilities							49,197.12							41,817.17

** Refer note 5 below

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Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

51. Segment Reporting continued...

Reportable Segments	Year ended March 31, 2018						Year ended March 31, 2017							
	Global document outsourcing	Office	Graphic communication	Paper	Other Support Services	Bangladesh Project	Total	Global document outsourcing	Office	Graphic communication	Paper	Other Support Services	Bangladesh Project	Total
Capital expenditure (including capital work in progress & capital advances)	1,447.55	-	-	-	28.53	-	1,476.08	531.15	-	-	-	246.81	-	777.96
Unallocated capital expenditure	-	-	-	-	-	-	187.24	-	-	-	-	-	-	394.29
Depreciation	788.80	-	-	-	150.65	-	939.45	1,056.34	-	-	-	474.65	-	1,530.98
Unallocated depreciation	-	-	-	-	-	-	179.05	-	-	-	-	-	-	45.20
Other Non-cash Adjustments	-	-	-	-	-	-	115.64	-	-	-	-	-	-	158.88
Provision for indirect taxes and legal cases	-	-	-	-	-	-	281.47	-	-	-	-	-	-	62.62
Provision for doubtful advances	-	-	-	-	-	-	67.40	-	-	-	-	-	-	36.82
Provision for doubtful debts	-	-	-	-	-	-	284.99	-	-	-	-	-	-	3.44
Provision for obsolescence of inventories	-	-	-	-	-	-	8.51	-	-	-	-	-	-	(6.23)
Loss/ (profit) on sale of tangible assets (net)	-	-	-	-	-	-	6.04	-	-	-	-	-	-	90.03
Fixed assets written off	-	-	-	-	-	-	16.60	-	-	-	-	-	-	20.99
Unwinding of discount on security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	(64.91)
Provisions written back	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment revenue by location of customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	44,649.42	-	-	-	-	-	-	47,059.32
America	-	-	-	-	-	-	6,407.11	-	-	-	-	-	-	656.39
Bangladesh	-	-	-	-	-	-	4,642.67	-	-	-	-	-	-	558.77
Europe	-	-	-	-	-	-	207.29	-	-	-	-	-	-	-
Rest of world	-	-	-	-	-	-	296.73	-	-	-	-	-	-	5,043.83
Total							56,203.22							53,318.32

Revenue from Major Customers :

There's no customer having revenue amounting to 10% or more of Company's total revenue.

Note:

1. Net profit has not been measured and reported segment wise, as cost components have not been allocated to reportable segments. Additionally, management's decisions on resources and performance are based on the revenue by products or services and costs in the aggregate.
2. Other income has not been measured and reported business segment wise as these components are not realistically allocable and identifiable.
3. Depreciation expense on GDO and Other support services has been allocated, while all other expenses are unallocated corporate expenses.
4. Inventory, GDO fixed assets and Receivables from GDO, Paper and Other support service have been allocated, while all other assets are unallocated.
5. Trade Receivable include Rs. 3,214.16 (March 31, 2017 Rs. 3,052.23) towards Office and Graphic communication. Trade payables include Rs. 6,347.18 (March 31, 2017 Rs. 3,491.99) towards Office, Graphic communication and Other support service. These are not separately identifiable.
6. Other operating income in the form of other support services has been identified as separate segment for reporting in this note.

Notes to the Financial Statements

[All figures in Rs. lacs, unless otherwise stated]

52. Events occurring after the reporting period

The Company evaluate events and transactions that occur subsequent to the balance sheet date but prior to issue of the financial statement to determine the necessity for recognition and / or reporting of any of these events and transactions in financial statements. As of July 23, 2018 there were no subsequent events to be recognized or reported in theses financial statements.

53. Specified Bank Notes

The Company did not have any holding and dealing in Specified Bank Notes (SBNs) as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O.3407 (E), dated the 8 November, 2016, during the period from November 8, 2016 to December 30, 2016 . No such disclosures are applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Bangalore LLP
Firm Registration No.: 007567S/S-200012
Chartered Accountants

For and on behalf of Board of directors

Raj Kumar Rishi
Managing Director
DIN: 07979575

Rodney Noonoo
Director
DIN: 07690361

Satpreet Singh
Chief Financial Officer

Rahul Chattopadhyay
Partner
Membership Number: 096367

Mohit Kumar
Finance Controller

Rajiv L. Jha
Company Secretary &
GM Legal

Gurugram, India
July 23, 2018

Gurugram, India
July 23, 2018

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Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

XEROX INDIA LIMITED

CIN: U72200HR1995PLC049183

Regd. Office: 5th Floor, Block One, Vatika Business Park, Sector-49, Sohna Road, Gurugram-122018, Haryana

Website: www.xerox.com/india; **Email:** rajiv.jha@xerox.com

Tel: +91 124 446 3000; **Fax:** +91 124 446 3111

Name of the member (s):.....

Registered address:

E-mail Id:

Folio No./ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named Company, hereby appoint:

1. Name: Address:

E-mail Id: Signature: or failing him/her;

2. Name: Address:

E-mail Id: Signature: or failing him/her;

3. Name: Address:

E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Friday, 21st September 2018 at 12:00 Noon at King Arthur 2, Fortune Select Excalibur Hotel (Fortune Hotel), Sector 49, Sohna Road, Gurugram - 122018 and at any adjournment thereof in respect of such resolution/s as are indicated below:

Resolution No.	Description of Resolutions		
Ordinary Business		Assent	Dissent
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 st March 2018 including audited Balance Sheet as at 31 st March 2018 and the Statement of Profit and Loss for the year ended on that date along with the reports of the Auditors and Board of Directors thereon.		

XEROX INDIA LTD.

2.	Appointment of a director in place of Mr. David Brian Dyas (DIN 07437186), who retires by rotation, and being eligible, offers himself for re-appointment.		
Special Business		Assent	Dissent
3.	Appointment of Mr. Raj Kumar Rishi (DIN 07979575) as the Director of the Company liable to retire by rotation		
4.	Appointment of Mr. Raj Kumar Rishi (DIN 07979575) as the Managing Director of the Company		
5.	Approval of the terms and conditions (including remuneration) of Mr. Raj Kumar Rishi on his appointment as the Managing Director of the Company		

Signed this day of, 2018

Signature of Shareholder.....

Signature of Proxy holder(s).....



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. Further, a Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy, however, such person shall not act as proxy for any other person or Member.
3. For the resolution(s), explanatory statement and notes thereon, please refer to the Notice of 22nd Annual General Meeting.

**it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'Assent' or 'Dissent' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.*



Xerox AltaLink_C8035



Xerox VersaLink C505



Xerox AltaLink B8045



Xerox VersaLink B615



Xerox AltaLink B8065



Xerox VersaLink C7000



Xerox VersaLink B400



Xerox VersaLink B7025



Xerox India Limited, 5th Floor, Block One, Vatika Business Park, Sector 49, Sohna Road, Gurugram 122018, Haryana
CIN: U72200HR1995PLC049183, Tel.: +91-124-446 3000, Fax: +91-124-446 3111
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