



# ANNUAL REPORT 2017





# CORPORATE INFORMATION

## Board of Directors

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

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

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

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

Rajat K. Jain (*Director*)  
(DIN 00046053)

Rodney Noonoo (*Director*)  
(DIN 07690361)

Daniela Cosette Untescu (*Director*)\*  
(DIN 07143033)

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

\*ceased from directorship effective 1<sup>st</sup> April 2017

\*\*appointed as additional director effective 10<sup>th</sup> August 2017

## Board Committees:

### Audit Committee

Rodney Noonoo (*Chairman*)

Prakash Kulathu Iyer

Rishi Kant Srivastava

### Nomination and Remuneration Committee

Ashraf M.A. Elarman (*Chairman*)

Prakash Kulathu Iyer

Rishi Kant Srivastava

David Brian Dyas

### Corporate Social Responsibility Committee

Rodney Noonoo (*Chairman*)

Rishi Kant Srivastava

Ashraf M.A. Elarman

David Brian Dyas

### Stakeholders Relationship Committee

Rajat K. Jain (*Chairman*)

Rishi Kant Srivastava

Prakash Kulathu Iyer

Ashraf M.A. Elarman

### Key Managerial Personnel

Ashraf M.A. Elarman (*Managing Director*)

Satpreet Singh Ahuja (*Chief Financial Officer*)

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

## Registrars & Share Transfer Agents

MCS Share Transfer Agent Limited

F-65, Okhla Industrial Area,

Phase I, New Delhi - 110020

## Registered Office

5<sup>th</sup> Floor, Block One,

Vatika Business Park, Sector 49,

Sohna Road, Gurgaon - 122018

Haryana (India)

Tel. : 91-124-39400400

Fax : 91-124-3371225

## Website

[www.xerox.com/india](http://www.xerox.com/india)

## Investor Relations Email ID

[askus@xerox.com](mailto:askus@xerox.com)

## Corporate Identity Number

U72200HR1995PLC049183

# BOARD'S REPORT

## TO THE MEMBERS OF XEROX INDIA LIMITED

Your Directors have the pleasure in presenting the Twenty First (21<sup>st</sup>) Annual Report of Xerox India Limited ("the Company") along with the audited Financial Statements for the Financial Year ended 31<sup>st</sup> March 2017.

### Financial Results

Particulars	₹ in Lacs	
	31.03.2017	31.03.2016
Gross Revenue	<b>54,245.11</b>	52,944.65
Profit / (Loss) Before Tax	<b>8346.83</b>	2,964.97
Less: Current Tax	<b>2668.31</b>	1,346.33
Prior years' tax write back	<b>56.67</b>	-
Deferred Tax	<b>(159.15)</b>	(272.47)
Profit / (Loss) After Tax	<b>5894.34</b>	1,891.11

The Company has posted a profit before tax of ₹ 8346.83 Lacs (including profit arising out of sale of XRCL division) and a profit after tax of Rs. 5894.34 Lacs in the financial year under Report as against profit before tax of ₹ 2964.97 Lacs and profit after tax of ₹ 1891.11 Lacs in the previous year, thereby recording a substantial increase of 181.51% and 211.69%, respectively, while the gross revenue posted in the year under report is ₹ 54,245.11 Lacs as compared to the gross revenue of ₹ 52,944.65 Lacs in the previous year, a marginal increase of 2.46%.

### Dividend

In light of (i) the planned cash utilisation in large GDO contracts; (ii) other expansion plans; and (iii) pending tax/regulatory demands of your Company, 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 31<sup>st</sup> March 2017.

### 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 has world-renowned capabilities, industry-leading technology and knowhow, and a talented, high-performing team dedicated to delivering exceptional service to customers and partners.

Our business operations solutions use innovative technologies that help processes flow reliably and efficiently so that customers can focus on their strategic agenda. Our world-renowned expertise provides a basis for consistent, high-quality output and

next generation services in Managed Print Services, Centralized Print Services, Enterprise Content Management, Communication and Marketing Services.

Our Managed Print Services enable customers to Print for less and print less. We help customers organise content, secure and integrate systems, cut costs and streamline processes. The Centralized Print Services help customer take a fresh look at the in-house print and mail operations. Customers can start with an assessment of the current state, and then Xerox will help customers drive down costs and optimise print and digital document infrastructure. Under Enterprise Content Management, Xerox will help customers easily organise, classify and manage documents and data with cloud and on-premise solutions. The Xerox Communication and Marketing Services helps improve customer's experience and the company's bottom line by getting the right message to the right person at the right time. Xerox helps streamline the process to produce and deliver multichannel communications.

### Office Solutions

Our office printing technology and solutions deliver convenience and ease of use to improve the way our customers work.

ConnectKey Technology represents a new approach to the multifunction printer, to help bring more convenience, productivity, security and cost control to the customer's business. We've thought beyond just the hardware and we've focused on the software that runs across a suite of multifunction printers, providing significant improvements to both the user interface and the systems management and integration capabilities that run behind the scenes. These capabilities provide immediate value out of the box for small-to-medium sized businesses and larger enterprises alike, and only get more valuable when looking at more robust systems integration or fleet management.

Fundamentally, these capabilities boil down to simplifying the way customer's business works and start incorporating Intelligent Documents into the organization today with Search, Security, Connectivity and Collaboration through Xerox ConnectKey Technology.

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. We offer a complete range of services and solutions in partnership with independent software vendors that allow our customers to analyze, streamline, automate, secure and track their digital workflows, which we then use to identify the most efficient, productive mix of office equipment and software for that business, helping to reduce the customer's document related costs.

## Production Solutions

The print industry continues its rapid transformation, fuelled by shorter run lengths, increased personalisation, faster turnarounds and demanding quality. Xerox solutions help address all the digital printing services and multi-channel communication needs as customers look to navigate a changing market to lead and delight their customers.

In the production 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.

## Global Document Outsourcing

Global Document Outsourcing (GDO) helps clients optimize their print infrastructure and simplify their communication and business processes so that they can grow revenue, reduce costs, enhance customer experience and operate more effectively. Our end-to-end document outsourcing portfolio consists of Managed Print Services (MPS), Communication and Marketing Services (C&MS) and Document Transaction Process Services (DTPS). Overarching theme of Document Outsourcing is to offer our clients a clear path to digital transformation in their internal and market facing operations.

In MPS, we help our clients to make their print infrastructure more secure, optimize costs, increase productivity and meet their environmental sustainability goals while supporting their mobility needs of the ever changing workplace. Our Next Generation MPS approach is built on three stages providing an effective roadmap to manage clients' information today and provide ongoing insight for continuous innovation tomorrow. At the highest level of Next Generation MPS, our clients can benefit from the capabilities of automating their workflows leveraging the MPS environment which they have already invested in.

With Xerox's MPS, customers gain control of their document processes through our proven, three-step approach, which is based on helping thousands of organisations get more out of their print infrastructure investment.

We also help our clients with on-site print centre support which consists of on-demand printing and copying, complete finishing, production printing, mail & distribution and e-publishing. Backed by innovation capabilities, we provide the most comprehensive portfolio of MPS services in the industry, supporting large, mid-size enterprises.

Over the past many years, we have been consistently recognized as an industry leader by several major analyst firms including Gartner, IDC, Quocirca and Forrester.

C&MS delivers end-to-end outsourcing for marketing, logistics and distribution services that help clients communicate with their customers and employees more effectively. We deliver communications through traditional routes, such as print as well as through a growing number of multimedia channels including web and email. We help our clients identify how their customers want to be engaged, tailor content, translate content, personalize communication, select the appropriate channel, execute on campaigns and measure the resulting success.

As part of DTPS, we help our clients automate and digitise paper based processes making documents available in a workflow leading to increased business velocity due to reduced processing time with higher traceability and accessibility through online archiving. We offer solutions that introduce process improvement and workflow automation across the entire lifecycle of the end customer right from customer acquisition & on-boarding to customer service.

## Paper

Xerox sells variety of Xerox Branded Copy/ Print/ Digital Paper to customers for use in their document processing requirements. We are into both Commodity & Digital Paper along with Wide format rolls. The market for copy/ print paper is highly competitive and revenues are significantly impacted by pricing. 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 re-launching brands as Colotech Digital range.

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

We believe that our service force represents a significant competitive advantage because 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 and providing consistent and superior level of service.

We have 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 initiatives on retention of existing customers and also increase the usage of Xerox products.

We launched Service Modernisation through which we could diagnose machines remotely and offer billing automation, based on the same proactively provide service and support resulting in enhanced customer experience. In addition to that, we ensure that the Customer service escalations flow to a thorough process of monitoring till timely closure. The launch of Partner Certification program was linked to Partner Service Delivery capabilities and that is helping us provide uniform service delivery by all partners across geography. 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. 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. We also track the customer satisfaction levels with regular surveys.

## Initiatives on Sustainability from the Company

At Xerox, when we simplify the way work is done, we remove unnecessary resources and activities and reduce waste. Simplicity and sustainability work together to deliver social, financial, and environmental benefits.

Xerox contributes to reduce the environmental footprint of our products, services and operations. To do so requires collaboration with stakeholders and value chain partners including customers, employees, suppliers, and governmental and non-governmental organizations. Our innovative products, services, and processes advance the sustainability effort in our own operations and in workplaces, communities, and cities around the world.

### Document Management Solutions and Employee Engagement Tools

Xerox® Managed Print Services (MPS) and the Free Flow® Digital Workflow Collection make the workplace more productive, cost-effective, and energy-efficient by streamlining the equipment profile and document processes. The graphs and visuals in the Xerox® Print Awareness Tool (PAT) provide users with real-time information on how intended print decisions influence financials and the environment and offer a preferred alternative. PAT uses gamification to change behaviours and engage your employees in sustainability efforts. The tool can be made more impactful by personalizing it to include company-specific communication and information about the sustainability goals and accomplishments.

### Digital Production Technology

Digital Production Technology and the variable print feature allow for personalization of output, proof without printing, and the ability

to print as few or as many as needed, when needed, resulting in reduced energy, paper use and the potential for excess inventory. Our production printers are designed with safety and the environment in mind, with emissions of chemicals such as ozone and dust strictly controlled to the same level of Xerox® office machines, well below regulatory requirements.

## Reducing the environmental footprint of our operations and beyond

### Reducing Our Companywide Carbon Footprint

In 2003, we made a public commitment to reduce GHG emissions – our carbon footprint – and launched an internal program known as Energy Challenge 2012 with the goal of reducing GHG emissions across all company operations 10 percent by 2012. At program end, we cut emissions by 42 percent – that is 210,000 tons of carbon dioxide equivalents (CO<sub>2</sub>e) – and reduced energy consumption by 31 percent. Our new corporate-wide goal is to reduce energy consumption 20 percent by 2020 (from a 2012 baseline).

### Emulsion Aggregation Toner (EA Toner)

EA Toner is a breakthrough Xerox® technology for producing toner. Its small particle size and uniform shape enables high quality images with less toner mass per page and lower fusing temperatures needed during printing. The manufacture of EA Toner generates 28% fewer GHGs than the manufacture of conventional toner.

### Reducing Supplies Waste

Our Green World Alliance (GWA) initiative - central to our commitment to waste-free products - provides a collection and reuse-recycling program for spent imaging supplies. Currently, more than 35 countries participate in the Xerox Green World Alliance. Each has its own GWA country website that describes the processes available to the customer or the appropriate points of contact for more information. Worldwide, our customers returned over 2.1 million cartridges, toner containers and other used supply items in 2015, equating to 4,400 metric tons. More information on our consumables returns program is available on the Green World Alliance website.

### Tackling the Problem of E-waste

We pioneered the practice of reuse, remanufacturing and recycling of imaging equipment. Machines are designed for easy disassembly, durability, contain fewer parts, and are controlled for chemical content. Equipment returned to Xerox at end-of life can be remanufactured to as-new performance specifications that meet our strict product quality standards. Xerox joined the Sustainable Electronic Recycling International (SERI) coalition as a founding member of the “R2 Leader Program”. SERI is a non-profit organization devoted to advancing sustainable electronics reuse and recycling globally. R2 Leaders commit to support responsible and sustainable electronics repair and recycling as described in the R2 Standard. Additionally, R2 Leaders, including Xerox are taking leadership roles in projects for responsible reuse and recycling around the globe.

### **Xerox Corporation's recognition in 2016:**

- Achieved an A-on the CDP S&P 500 Climate Change Report
- Included in Ethisphere Institute's list of the World's Most Ethical Companies
- Included in the FTSE4GoodIndex
- Included in the U.S. Newsweek Green Rankings
- Included on the Dow Jones Sustainability World and North America Indices
- Included on the Euronext Vigeo Eiris Index - World 120
- Included on the GeSIGlobal CSR Leadership Index
- Ranked in FORTUNE's World's Most Admired Companies
- Ranked #7 on Corporate Responsibility Magazine's "100 Best Corporate Citizens List"; #3 in the environmental category
- Received a Bronze rating from FIRA

Xerox India is cognizant of its responsibility to augment the sustainable development of the country and accordingly work towards addressing social issues with the aim to fulfil, in letter and spirit, the role of a Responsible Corporate Citizen. In conjunction with partner organisations, we have launched initiatives in the areas of education, disaster relief, community health care, women empowerment and environment.

#### ***Our CSR initiatives include the following:***

##### **Education & crucial life skills:**

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

##### **Disaster Relief**

- This is an on-going partnership with **Goonj** in the area of disaster relief for collection of relief materials for victims in earthquake and flood affected areas. In the year 2016-17, we donated printers and cartridges to needy organisations and schools through Goonj.

##### **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 a 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 2016-17 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.

### **Women Empowerment**

- Women are the Architects of the society. Our partnership with **Samarpan Foundation** aims at assisting women to empower themselves which will not only create the possibility of a better life for them, but will also equip them to have confidence and individuality. This is an initiative to encourage and enable women to be independent and to look forward to a better way of living, by giving them opportunities to learn a skill through which they can earn as well.

### **Community Healthcare**

- In order to ensure delivery of quality general healthcare and 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.

### **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.

### **Sale/Transfer of the Contract R&D Support Services Division/Change in Business**

During the financial year 2016-17, in light of the global restructuring of Xerox Corporation (ultimate parent company of Xerox India Limited), the technology and services arms of Xerox Corporation were required to be separated.

Accordingly, one of the units/divisions/segments of your Company namely Xerox Research Centre India (XRCI), located in Bengaluru (India), which was into providing contract R&D support services to Xerox Corporation which is an activity akin to the services domain of the overall operations of Xerox Corporation, got separated from your Company w.e.f. 1<sup>st</sup> January 2017.

The said separation had taken place by way of sell/transfer of the said unit/undertaking to one of the group entities namely Xerox Business Services India LLP (erstwhile *Xerox Business Services India Pvt. Ltd.*) as a going concern on slump sale basis pursuant to the requisite approval of the shareholders of the Company (by way of postal ballot) granted on 13<sup>th</sup> December 2016 including shareholders' approval for the related party transaction w.r.t. such sale/transfer under the applicable provisions of the Companies Act, 2013 read with applicable Rules thereunder.

The said sale/transfer had taken place at a value arrived at based on the valuation as carried out by an independent agency/valuer under the provisions of the Companies Act, 2013 and rules made thereunder.

With this sale/transfer, effective 1<sup>st</sup> January 2017, the operational activities of your Company now comprise of the technology-based business and providing of allied 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 2016-17:

No. of complaints received: Nil

No. of complaints disposed of: Nil

### Directors' Responsibility Statement

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 31<sup>st</sup> March 2017, 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 31<sup>st</sup> March 2017 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.

### 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.

### 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, on internal completion of evaluation cycle, the 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 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 Committees have agreed on an action plan to further improve the effectiveness and functioning of the Board and Committees.

### Separate Independent Directors' Meeting

A separate meeting of the independent directors ("Annual ID meeting") for the year 2017 was held on 25<sup>th</sup> April 2017, 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 that is necessary for the Board to effectively and reasonably perform their duties.



The separate Annual ID meeting for the year 2016 was held on 3<sup>rd</sup> May 2016.

### Directors and Key Managerial Personnel

During the year under Report, Mr. Rodney Noonoo has been appointed as an Additional Director of the company effective 18<sup>th</sup> January 2017, based on the recommendation of the Nomination and Remuneration Committee.

Pursuant to Section 161(1) of the Act, Mr. Rodney Noonoo holds office only up to the date of the forthcoming 21<sup>st</sup> Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director.

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 21<sup>st</sup> Annual General Meeting of the Company along with his brief profile.

Mr. Rajat K. Jain, 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, Mr. Daniel M. Benoit ceased to be a Director of the Company effective 18<sup>th</sup> January 2017.

Besides, Ms. Daniela Cosette Untescu ceased to be a Director of the Company effective 1<sup>st</sup> April 2017.

### Independent Directors' Declaration

During the year under Report, Mr. Prakash Kulathu Iyer and Mr. Rishi Kant Srivastava, who are independent Directors, had submitted a declaration 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.

### 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 notice of Board meetings are given well in advance to all the Directors. Primarily, the meetings of the Board are held at the place of Registered Office of the Company. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed along with the requisite documents for the meeting to enable the Directors to take an informed decision.

The Board met Six (6) times during the Financial Year 2016-17 on 3<sup>rd</sup> May 2016, 26<sup>th</sup> July 2016, 26<sup>th</sup> September 2016, 7<sup>th</sup> November 2016, 16<sup>th</sup> December 2016, and 18<sup>th</sup> January 2017. 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	No. of Meetings attended	Attendance at the 20 <sup>th</sup> AGM (Y/N)
Ashraf M.A. Elarman	Managing Director	6	6	Y
David Brian Dyas	Non-Executive Director	6	1	Y
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	Nil	N
Daniel Marc Benoit **	Non-Executive Director	6	1	Y
Daniela Cosette Untescu ***	Non-Executive Director	6	1	N

\* Rodney Noonoo has been appointed on Board of the Company effective 18<sup>th</sup> January 2017 as an Additional Director (Non-Executive)

\*\* Daniel Marc Benoit ceased to be the Director of the Company effective 18<sup>th</sup> January 2017

\*\*\* Daniela Cosette Untescu ceased to be the Director of the Company effective 1<sup>st</sup> April 2017

## 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 2016-17

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Rodney Noonoo*	Chairman of the Committee	5	Nil
Prakash Kulathu Iyer	Member	5	5
Rishi Kant Srivastava	Member	5	5
Daniel Marc Benoit**	Chairman of the Committee*	5	1

*\*\*Inducted as a Member of the Audit Committee and designated as the Chairman thereof effective 18<sup>th</sup> January 2017*

*\*\* Ceased to be a Member & Chairman of the Audit Committee effective 18<sup>th</sup> January 2017*

- Nomination and Remuneration Committee**

Meetings' Details for FY 2016-17

Name of Director	Category	No. of Meetings held	No. of Meetings attended
Ashraf M.A. Elarman	Chairman of the Committee	2	2
Prakash Kulathu Iyer	Member	2	2
Rishi Kant Srivastava	Member	2	2
Daniela Cosette Untescu*	Member	2	Nil
David Brian Dyas**	Member	2	N.A.

*\* Ceased to be a Member of Nomination and Remuneration Committee effective 1<sup>st</sup> April 2017*

*\*\*Inducted as a Member of Nomination and Remuneration Committee effective 25<sup>th</sup> April 2017*

- Corporate Social Responsibility Committee**

Meetings' Details for FY 2016-17

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

*\* Inducted as a Member of the Corporate Social Responsibility Committee and designated as the Chairman thereof effective 18<sup>th</sup> January 2017*

*\*\* Ceased to be a Member (Chairman) of Corporate Social Responsibility Committee effective 18<sup>th</sup> January 2017*

- Stakeholders Relationship Committee**

Meetings' Details for FY 2016-17\*

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

*\* 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](http://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 31<sup>st</sup> March 2017.

### 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.

### 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 18<sup>th</sup> Annual General meeting (AGM) of the Company held on 23<sup>rd</sup> September, 2014 (as adjourned from 16<sup>th</sup> September, 2014) till the conclusion of the 23<sup>rd</sup> AGM to be held in the year 2019, subject to ratification of their appointment by the members at every AGM of the Company.

The Report given by the Auditors on the financial statements of the Company for the financial year 2016-17 is forming part of this Annual Report.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report, except w.r.t. excess managerial remuneration, and an emphasis of matter w.r.t. proceedings by Directorate of Enforcement, the explanation thereon by your Directors are as follows:

A. With respect to the "Basis of Qualified Opinion" and "Qualified 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. 37(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 year ended March 31, 2009 could range from of Rs. 76.59 lacs to Rs. 96.59 lacs. It appears that the auditors had made the estimate of this excess remuneration based on the following:

- (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 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. The view taken by the Company is supported by an 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 has 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 not required to be deducted 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 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. 37(b) to the Financial Statements, and with a bona fide intent to resolve the matter and in the absence of clarification and approval from the Ministry of Corporate Affairs as requested by the Company over the last few years, your Company, in the financial year under report, has (a) obtained the approval of the shareholders in the 20<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> 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; (b) submitted a letter with the Ministry of Corporate Affairs withdrawing its application seeking approval to the payment of aforesaid excess remuneration; and (c) subsequently recovered the aforesaid excess remuneration of Rs. 19.76 Lacs from its parent company on behalf of the concerned managerial personnel.

- 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. 38(a) of the Notes to Financial Statements, which provides the relevant information and explanation to the Emphasis of Matter made by the auditors.

### Secretarial Auditors 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 2016-17. The Report of the Secretarial Auditors 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 Statement for the Financial Year under Report are self-explanatory and do not require any further comments/remarks from your Directors.

### 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 except as disclosed elsewhere in this Annual Report.

### 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. 34 in the accompanying financial statements. Apart from these, there were two related party transactions during the year under Report which were not in ordinary course of business though undertaken at arms' length basis. These were (i) Sale of Contract R&D Support Service division; and (ii) sub-leasing of office space to one of the group entities. 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 2<sup>nd</sup> 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 31<sup>st</sup> March 2016) had granted its omnibus approval to all the related party transactions for the FY 2016-17.

### 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](http://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; and
- Corporate Social Responsibility Policy

### Subsidiaries/ Joint Venture/ Associate

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

### Opening of Branch Office at Bangladesh

During the year under Report, your Company was awarded with a contract by the Bangladesh Government (Bangladesh Bureau of Statistics under Bangladesh Investment Development Authority). The duration of the contract is around 18 months and essentially entails assimilation of census data of different regions in Bangladesh ('the project') by providing assistance in questionnaire printing, data capture and processing using the ICR technology.

Accordingly, in March 2017, your Company has got the approval from the Bangladesh Govt. to open a Branch Office at Dhaka, Bangladesh towards the execution of the Project alongwith two partners namely IOE Bangladesh Limited (IOE) and Top Image System (TIS).

### Share Capital

Your Company has only one class of share viz. equity share with a face value of ₹ 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 31<sup>st</sup> March 2017 is ₹ 4480.80 Lacs comprising 4,48,08,000 equity shares of ₹ 10/- each.

### Extract of Annual Return

The 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.

### 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 equipment 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.

The Board places on record its appreciation for the support and co-operation your Company has been receiving from its customers, alliance 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

**ASHRAF M. A. ELARMAN**

Managing Director

Gurgaon  
25<sup>th</sup> July 2017

**RAJAT K. JAIN**

Director

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## ANNEXURE-I

# 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/ind/en/i/ind\\_social\\_responsibility.pdf](https://www.xerox.com/downloads/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. Ashraf M.A. Elarman, 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 ₹ 35.21 Lacs towards CSR activities and the Company's spent on CSR activities (including amount of committed liability/obligation) for the FY 2016-17 amounted to ₹ 35.26 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	1760.38
2. Prescribed CSR expenditure (two per cent of the amount as in item 1 above)	35.21
3. Details of CSR spent during the financial year 2016-17:	
(a) Total amount spend for the financial year (in ₹)	35,26,210
(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 programs was undertaken	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	700,235/-	Direct: 7,00,235/- Overheads: 25,000/- (committed)	7,25,235/-	Through Magic Bus India Foundation
2.	Donation of Printers to Schools 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: 10,00,000/-	10,00,000/-	Through Goonj (an NGO)
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	2,17,575/-	Direct: 2,17,575/-	2,17,575/-	Through World Wide Fund for Nature-India (WWF-India)



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>S. No.</b>	<b>CSR Project or activity identified</b>	<b>Sector in which the Project is covered</b>	<b>Projects or Programs</b> (1) Local Area or other (2) Specify the State and District where project or programs was undertaken	<b>Amount outlay (budget) project or programme-wise</b>	<b>Amount spent on the projects or programs:</b> <b>Sub-heads:</b> (1) Direct expenditure on project or programmes (2) Overheads	<b>Cumulative expenditure upto the reporting period</b>	<b>Amount spent: Direct or through implementing authority</b>
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	5,43,240/-	Direct: 5,43,240 (inclusive of ₹ 2,71,620/- as amount committed)	5,43,240/-	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	10,40,160/-	Direct: 10,40,160 (inclusive of ₹ 8,02,560/- as amount committed)	10,40,160/-	Through Dr. A.V. Baliga Memorial Trust

\* inclusive of ₹ 10,99,180/- as amount committed/provided for under MoUs/Agreements entered into by the Company (during FY 2016-17) 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.

**ASHRAF M. A. ELARMAN**  
Managing Director

**RODNEY NOONOO**  
Chairman (CSR Committee)

Gurgaon  
Date: 25<sup>th</sup> July 2017

Uxbridge  
Date: 25<sup>th</sup> July 2017

## 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.

- ii) 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.

(Deliberately Left Blank)

# Secretarial Audit Report

For the financial year ended on 31<sup>st</sup> March, 2017

[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,  
5<sup>th</sup> 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 31<sup>st</sup> March, 2017 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 subject to the reporting made hereinafter.

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 31<sup>st</sup> March, 2017, 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.

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 sold/transferred its Contract R&D Support Services Division named as Xerox Research Centre India (XRCI) to its related party in compliance with the applicable provisions of the Act and Rules made thereunder.

**We further report that** during the audit period, the Company has obtained the approval of members by way of postal ballot in relation to the aforesaid sale/transfer under section 188 of the Act and Rules made thereunder.

**FOR RANJEET PANDEY & ASSOCIATES  
COMPANY SECRETARIES**

**Place: NEW DELHI  
Date: 05/07/2017**

**CS RANJEET PANDEY  
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,  
5<sup>th</sup> 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**

**Place: NEW DELHI  
Date: 05/07/2017**

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

## 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:

- To save energy, LED lights were used in Bangalore new office constructed during Dec'16 – Jan'17.
  - CFL Lights were replaced by LED in Gurgaon office thereby immensely reducing the wattage consumption.
  - In Mumbai office, half portion of AC duct (not in used) were closed which has resulted into saving of ₹ 25000/- per month on account of reduction in electricity consumption.
  - Overseen energy conservation measures
- 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 ₹ 10,402.35 lacs (previous year ₹ 9,921.40 lacs) and ₹ 908.91 lacs (previous year ₹ 1,196.91 lacs), respectively. Details in this regard is provided in Note Nos. 31 and 32 of the Financial Statement.

**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 or arrangements or 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 Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.), Bangalore (India); a group entity having common ultimate parent/holding company
b.	Nature of contracts/ arrangements/transactions	Sale/transfer of the Contract R&D Support Services division (namely Xerox Research Centre India) as a going concern on slump sale basis effective 01.01.2017 vide a Business Transfer Agreement
c.	Duration of the contracts/ arrangements/ transactions	N.A.
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	As per the Business Transfer Agreement (dated 14.12.2016); the valuation of the said division came at ₹ 43.40 Crores as per the independent valuation carried out
e.	Date(s) of approval by the Board, if any	07.11.2016
f.	Amount paid as advances, if any	N.A.

**For and on behalf of Board of Directors**

**ASHRAF M. A. ELARMAN**

Managing Director

Gurgaon

25<sup>th</sup> July 2017

**RAJAT K. JAIN**

Director



## 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, 2017

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

Sl. No.	Name	Designation	Remuneration (in ₹)
1.	Ashraf M.A. Elarman	Managing Director	4,36,84,673/-
2.	Masato Yagi	General Manager-Business Development (Japanese Accounts)	1,54,10,903/-
3.	Balaji Rajagopalan	Executive Director-Technology & Channels	1,45,60,368/-
4.	Deepika Chaudhry	Executive Director-Legal	1,28,42,221/-
5.	Kanchan Chehal	Executive Director-HR, Asia Pacific	1,05,96,455/-
6.	Satpreet Singh Ahuja	Chief Financial Officer	84,32,775/-
7.	Rajiv Luthra	Regional Business Head-North, Central & East	83,60,344/-
8.	Anurag Gupta	Director-Customer Service Operations	79,92,757/-
9.	Aditya Sawant	Associate Director-GDO Operations	72,47,841/-
10.	Yoginder Singh Bisht	Head-IDO, Supplies & Paper	68,92,060/-

Employees employed throughout the financial year 2016-17 who were in receipt of an aggregate remuneration equal to or exceeding ₹ 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.	Ashraf M.A. Elarman	Managing Director	4,36,84,673	Permanent	Graduate (27 years)	22-06-2015	52	Xerox Egypt
2.	Masato Yagi	General Manager - Business Development (Japanese Accounts)	1,54,10,903	Permanent	Graduate; (16 years)	27-10-2014	40	Fuji Xerox Co. Ltd.
3.	Balaji Rajagopalan	Executive Director - Technology & Channels	1,45,60,368	Permanent	DEE, MBA (Mktg. & Intl. Business); (35 years)	01-11-1983	53	Indian Reprographic Systems (P) Ltd.
4.	Deepika Chaudhry	Executive Director - Legal	1,28,42,221	Permanent	LLB, B.Sc; (26 years)	22-07-2013	51	Microsoft India
5.	Kanchan Chehal	Executive Director - Human Resources, Asia Pacific	1,05,96,455	Permanent	BA, PGDBM; (20 years)	24-11-2014	42	GAP Inc.

Employees employed for part of the financial year 2016-17 who were in receipt of a remuneration for any part of the financial year 2016-17, at a rate which, in the aggregate, was not less than ₹ 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.	Manish Gupta*	Director - XRCI	3,07,72,177	Permanent	Ph.D, M.S, B.TECH; (24 Years)	03-06-2013	51	Goldman Sachs Services Pvt. Ltd.
2.	Vivek Chandel@	Executive Director-Marketing	61,39,978	Permanent	B.TECH, PGDM; (26 Years)	09-08-2011	50	TATA Teleservices
3.	Sushant Dwivedy#	Director - GDO Services	72,99,147	Permanent	PGDM (Mktg.), B.E. Electronics & Communication; (26 Years)	05-01-2015	48	Avaya India Pvt. Ltd.
4.	Geetha Manjunath*	Lab Manager - Data Analytics Lab	78,18,386	Permanent	Ph.D. (IISC), (25 Years)	25-04-2013	49	Hewlett Packard
5.	Abhishek Chawla\$	Tax Director - Asia Pacific	60,48,445	Permanent	B.Com, CA, LL.M, (15 Years)	16-07-2012	41	Pricewater Coopers
6.	Sandeep S. Dhanoa^	Associate Director - Key Accounts, XPPS & Business Solutions Delivery	18,97,872	Permanent	B.Sc., MBA; (22 Years)	02-01-2015	57	Xerox Corporation

\* Date of cessation of employment: 31.12.2016

@ Date of cessation of employment: 24.04.2016

# Date of cessation of employment: 27.10.2016

\$ Date of cessation of employment: 30.09.2016

^ Date of cessation of employment: 27.04.2016

ANNEXURE-VII

**FORM NO. MGT-9**

Extract of Annual Return

as on the financial year ended on 31<sup>st</sup> March, 2017

[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 - 29<sup>th</sup> 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**  
5<sup>th</sup> Floor, Block One, Vatika Business Park,  
Sector 49, Sohna Road, Gurgaon - 122018, Haryana  
Tel: +91 124 39400400 | Fax: +91 124 3371225  
email: [askus@xerox.com](mailto: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, 1<sup>st</sup> Floor, Okhla Industrial Area,  
Phase – I, New Delhi - 110020  
Tel: +91 11 41406149 | Fax: +91 11 41709881  
email: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com) / [admin@mcsregistrars.com](mailto: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		15.91
	(b) Office		20.25
	(c) Graphic Communications		36.37
	(d) Other Support Services		17.79

### 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 06851-1056 United States <i>(previously at 45, Glover Avenue, Norwalk, CT 06856-4505 United States)</i>	Not Applicable	Holding	Nil	2(46) and 2(69) r/w 2(87) of the Companies Act, 2013
2.	Xerox Limited, UK Bridgehouse, Oxford Road, Uxbridge, Middlesex UB8 1HS	Not Applicable	Holding	45.58%	2(46) and 2(69) r/w 2(87) of the Companies Act, 2013
3.	XC Trading Singapore Pte. Ltd. 80, Anson Road, Singapore	Not Applicable	Holding	39.29%	2(46) and 2(69) r/w 2(87) of the 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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(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/FIs	0	0	0	NA	0	0	0	NA	NA
(f) Any Other	0	0	0	NA	0	0	0	NA	NA
<b>Sub-total (A)(1): -</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>
<b>(2) Foreign</b>									
(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	40010707	40010707	89.29	NIL
(d) Banks/FIs	0	0	0	NA	0	0	0	NA	NA
(e) Any Other	0	0	0	NA	0	0	0	NA	NA
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>40010707</b>	<b>40010707</b>	<b>89.29</b>	<b>0</b>	<b>40010707</b>	<b>40010707</b>	<b>89.29</b>	<b>NIL</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>0</b>	<b>40010707</b>	<b>40010707</b>	<b>89.29</b>	<b>0</b>	<b>40010707</b>	<b>40010707</b>	<b>89.29</b>	<b>NIL</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	1538	1538	0.0034	0	1538	1538	0.0034	NIL
(b) Banks/FIs	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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g) FIIs	0	1711	1711	0.0038	0	1711	1711	0.0038	NIL
(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
<b>Sub-total (B)(1):-</b>	<b>39746</b>	<b>14125</b>	<b>53871</b>	<b>0.1202</b>	<b>39746</b>	<b>14125</b>	<b>53871</b>	<b>0.1202</b>	<b>NIL</b>
<b>2. Non-Institutions</b>									
<b>(a) Bodies Corporate</b>									
i) Indian	64226	3770292	3834518	8.56	3302426	532066	3834492	8.56	0.00
ii) Overseas	0	0	0	0	0	0	0	0	NIL
<b>(b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13873	766166	780039	1.741	17245	762820	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
<b>(c) Others:</b>									
Non-Resident Individual	0	3627	3627	0.0081	0	3627	3627	0.0081	NIL
<b>Sub-total (B)(2):-</b>	<b>78099</b>	<b>4665323</b>	<b>4743422</b>	<b>10.59</b>	<b>3319671</b>	<b>1423751</b>	<b>4743422</b>	<b>10.59</b>	<b>NIL</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>117845</b>	<b>4679448</b>	<b>4797293</b>	<b>10.71</b>	<b>3359417</b>	<b>1437876</b>	<b>4797293</b>	<b>10.71</b>	<b>NIL</b>
<b>(C) Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>NA</b>	<b>NA</b>
<b>Grand Total (A+B+C)</b>	<b>117845</b>	<b>44690155</b>	<b>44808000</b>	<b>100.00</b>	<b>3359417</b>	<b>41448583</b>	<b>44808000</b>	<b>100.00</b>	<b>NA</b>

Note: Percentage change wherever marked as 0.00 represents negligible change

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			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

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

There is no change in promoter's shareholding during FY 2016-17.

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	<b>At the beginning of the year</b>	N.A.			
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.):				
3.	<b>At the end of the year</b>				

**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 (01.04.2016)		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	01.04.2016	3137000	7.00	3137000	7.00
		At the end of the year	31.03.2017				
2.	Damani Estates & Finance Pvt. Ltd.	At the beginning of the year	01.04.2016	344488	0.76	344488	0.76
		At the end of the year	31.03.2017				
3.	Superior Investment (India) Limited	At the beginning of the year	01.04.2016	95000	0.21	95000	0.21
		At the end of the year	31.03.2017				
4.	Your Investment (India) Limited	At the beginning of the year	01.04.2016	95000	0.21	95000	0.21
		At the end of the year	31.03.2017				
5.	Radhakishan S Damani	At the beginning of the year	01.04.2016	75757	0.17	75757	0.17
		At the end of the year	31.03.2017				
6.	K K Modi Investment And Financial Services Pvt. Ltd.	At the beginning of the year	01.04.2016	64160	0.14	64160	0.14
		At the end of the year	31.03.2017				
7.	Toplight Corporate Management Pvt. Ltd.	At the beginning of the year	01.04.2016	48179	0.11	48179	0.11
		At the end of the year	31.03.2017				
8.	The Oriental Insurance Company Limited	At the beginning of the year	01.04.2016	39746	0.09	39746	0.09
		At the end of the year	31.03.2017				

Sl. No.	Name	Remarks	Date	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
9.	Rakesh Jhunjhunwala	At the beginning of the year	01.04.2016	33366	0.07		
		At the end of the year	31.03.2017			33366	0.07
10.	Vipul Priyakant Dalal	At the beginning of the year	01.04.2016	12468	0.027		
		At the end of the year	31.03.2017			12468	0.02

**Notes:** The details of shareholding, given above, is from 01-Apr-2016/the date of entering the Top 10 shareholders list till 31-Mar-2017 / the date of leaving Top 10 shareholders list.

The above details are given as on 31 March, 2017. The Company is unlisted and 7.50% 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.

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

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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	-	-	-	-

## 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
<b>Ashraf M.A. Elarman *</b>			
1.	<b>Gross Salary:</b>		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,27,02,728	2,27,02,728
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	1,50,35,111	1,50,35,111
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	N.A.	N.A.
2.	<b>Stock Option</b>	N.A.	N.A.
3.	<b>Sweat Equity</b>	N.A.	N.A.
4.	<b>Commission</b>		
	- As % of profit	N.A.	N.A.
	- Others, specify	N.A.	N.A.
5.	<b>Others, please specify</b>	N.A.	N.A.
	<b>Total (A)</b>	<b>3,77,37,839</b>	<b>3,77,37,839</b>
	<b>Ceiling as per the Act</b>	As per the applicable provisions of the Companies Act, 2013 and Rules made thereunder	

### B. Remuneration to other directors:

Sl. No.	Particulars of the Remuneration	Name of Directors						Total Amount	
1.	<b>Independent Directors</b>	Prakash Kulathu Iyer	Rishi Kant Srivastava						
	<b>Fee for attending Board/ Committee meetings</b>	1400000	1500000					2900000	
	<b>Commission</b>	Nil	Nil					Nil	
	<b>Others, please specify</b>	Nil	Nil					Nil	
	<b>Total (1)</b>	<b>1400000</b>	<b>1500000</b>					<b>2900000</b>	
2.	<b>Other Non-Executive Directors</b>			Rajat K. Jain	Daniel Marc Benoit*	Daniela Cosette Untescu*	David Brian Dyas	Roodney Noonoo#	<b>Total Amount</b>
	<b>Fee for attending Board/ Committee meetings</b>			500000	NA	NA	NA	NA	500000
	<b>Commission</b>			Nil	Nil	Nil	Nil	Nil	Nil
	<b>Others, please specify</b>			Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>			<b>500000</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>500000</b>
	<b>Total (B) – (1+2)</b>	<b>1400000</b>	<b>1500000</b>	<b>500000</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>3400000</b>
	<b>Total Managerial Remuneration</b>	<b>4,11,37,839</b>							
	<b>Overall Ceiling as per the Act<sup>s</sup></b>								

\$ fee for attending Board/Committee meetings is as per Section 197 of the Companies Act, 2013, as decided by the Board

\* Daniel Marc Benoit and Daniela Cosette Untescu ceased to be the directors of the Company effective 18<sup>th</sup> January 2017 and 1<sup>st</sup> April 2017, respectively

# Rodney Noonoo has been inducted on Board effective 18<sup>th</sup> January 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 Ahuja	
<b>1. Gross Salary:</b>					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		2815821	7610747	10426568
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961		31500	26100	57600
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		0	0	0
<b>2. Stock Option</b>			N.A.	N.A.	N.A.
<b>3. Sweat Equity</b>			N.A.	N.A.	N.A.
<b>4. Commission</b>					
	- As % of profit		N.A.	N.A.	N.A.
	- Others, specify		N.A.	N.A.	N.A.
<b>5. Others, please specify</b>			N.A.	N.A.	N.A.
	<b>Total</b>	N.A.	<b>2847321</b>	<b>7636847</b>	<b>10484168</b>

**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 Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Xerox India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 standalone 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 standards and matters which are required to be included in the audit report.
5. We conducted our audit 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 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

### Basis for Qualified Opinion

8. We draw your attention to Note 37(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 had 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 has during the year 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 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, 2017, and its profit and its cash flows for the year ended on that date.

## Emphasis of Matter

10. We draw attention to note 38 (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 Foreign Investment Promotion Board (FIPB) against the Rejection Letter rejecting the Company’s prior application seeking post facto approval from FIPB.

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 (hereinafter referred to as 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 matter 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion paragraph above.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting 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, 2017 on its financial position in its standalone financial statements – Refer Note 20;
    - (ii) The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term 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, 2017.
    - (iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30<sup>th</sup> December, 2016 – Refer Note 43.

Gurgaon  
July 25, 2017

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

Rahul Chattopadhyay  
Partner  
Membership Number 096367

## **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 standalone financial statements for the year ended March 31, 2017**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of Xerox India Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Gurgaon  
July 25, 2017

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

Rahul Chattopadhyay  
Partner  
Membership Number 096367

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Xerox India Limited on the standalone financial statements as of and for the year ended March 31, 2017

- 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 10 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 14 to the financial statements are in possession of the Transferee. Refer Note 40 to the financial statements.
- 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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, 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 duty of excise and value added tax as at March 31, 2017 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
J&K General Sales Tax Act, 1962	Sales Tax	2.11	-	1999-2000	Joint Commissioner (Appeal)
J&K General Sales Tax Act, 1962	Sales Tax	16.04	6.00	2000-01	Amnesty Scheme
Central Sales Tax Act, 1956 (J&K)	Sales Tax	0.05	-	2000-01	Amnesty Scheme
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	52.90	-	1999-00 & 2000-01	Hyderabad High Court
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	8.94	-	2004-05	Appellate Tribunal

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
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, 1956	Sales Tax	1.85	1.85	2016-17	Assessing Authority
Bihar Finance Act, 1981	Sales Tax	11.77	-	1992-93 & 1993-94	Revision Application Field 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
Delhi Sales Tax Act, 1975	Sales Tax	231.79	-	2010-11	Commissioner
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	9.48	5.42	2006-07	Joint Commissioner CT, Chennai
Central Sales Tax Act, 1956 (Tamil Nadu) Dec-form	Sales Tax	12.22	-	2007-08, 2008-09, 2009-10	Assessing Authority
Gujarat Sales Tax Act, 1969	Sales Tax	144.30	68.62	2004-05 to 2006-07	Tribunal
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	13.62	5.32	2006-07 & 2007-08	Tribunal
Central Sales Tax Act, 1956 (Gujarat)	Sales Tax	0.46	0.46	2009-10	DCCT (Appeals)
Gujarat Sales Tax Act, 1969	Sales Tax	19.44	4.00	2009-10	DCCT (Appeals)
Maharashtra VAT Act, 2002	Sales Tax	122.03	28.14	2011-12	Joint Commissioner
Central Sales Tax Act, 1956 (Maharashtra)	Sales Tax	0.93	0.66	2011-12	Joint Commissioner
M.P. Vanijyik Kar Adhiniyam, 1994	Sales Tax	9.95	4.95	1999-00	Revision to be Filed
M.P. Vanijyik Kar Adhiniyam, 1994	Sales Tax	39.40	14.93	1997-98 to 2000-01 & 2002-03	Appellate Deputy Commissioner
M.P. Entry Tax Act, 1976	Entry Tax	4.50	2.01	1996-97, 1997-98, 1999-00, 2002-03	Appellate Deputy Commissioner
Central Sales Tax Act, 1956 (MP)	Sales Tax	2.67	1.16	2000-01 to 2002-03	Appellate Deputy Commissioner
Kerala General Sales Tax Act, 1963	Sales Tax	1.73	-	2008-09	Deputy Commissioner, (Appeal, Ernakulam)

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
Central Sales Tax Act, 1956 (Kerala)	Sales Tax	11.72	4.50	2008-09	DCCT, (Appeals) Ernakulam
Kerala General Sales Tax Act, 1963	Sales Tax	5.84	-	2012-13	Assessing Authority
Orissa Entry Tax Act, 1999	Sales Tax	10.55	8.00	2000-01	Tribunal
Orissa Entry Tax Act, 1999	Sales Tax	1.16	0.75	2001-02 & 2002-03	Appeal Asst. Comm.
Central Sales Tax Act, 1956 (Orissa)	Sales Tax	8.39	3.00	2000-01	Tribunal
U.P Trade Tax Act, 1948	Sales Tax	5.54	5.54	2006-07	Tribunal
U.P Trade Tax Act, 1948	Sales Tax	1.28	7.51	2008-09	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	53.64	11.57	2009-10 to 2011-12 & 2013-14	DCCT, Lucknow
U.P Entry tax	Sales Tax	8.16	5.06	2008-09	Tribunal
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 P(UP)	Sales Tax	0.03	-	Jan-08 to Mar-08	DCCT, Rampur
Central Sales Tax Act, 1956 (UP)	Sales Tax	44.44	45.17	2008-09	Tribunal
Central Sales Tax Act, 1956 (UP)	Sales Tax	390.04	165.44	2009-10, 2010-11	DCCT, Lucknow
U.P Trade Tax Act, 1950	Sales Tax	9.43	5.06	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
Uttarakhand VAT Act	Sales Tax	2.87	-	Oct-05 to Mar-06	DCCT, Dehradun
Chapter V of Finance Act, 1994	Service Tax	3,265.95*	#	May 2006 to March 2008	Central Excise and Service Tax Appellate Tribunal



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
Chapter V of Finance Act, 1994	Service Tax	5,079.28*	#	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	1,629.99*	70.46#	Oct-11 to Jun-12	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	3,572.95*	-	Apr-02 to Nov-06	Hon'ble Supreme court
Central Excise Act, 1944	Excise Duty	3,050.14*	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 II
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
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	928.30	928.30	2002-03	ITAT Delhi
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
Income Tax Act, 1961	Income Tax	29.95	29.95	2005-06	ITAT Delhi
Income Tax Act, 1961	Income Tax	1,849.94	1,573.53#	2007-08	ITAT Delhi
Income Tax Act, 1961	Income Tax	3,726.60	923.47#	2008-09	ITAT Delhi
Income Tax Act, 1961	Income Tax	849.41	-	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) Delhi

**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 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 Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 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

Gurgaon  
July 25, 2017

Rahul Chattopadhyay  
Partner  
Membership Number 096367

## Balance Sheet as at March 31, 2017

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

	Note No.	As at March 31, 2017	As at March 31, 2016
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	4,480.80	4,480.80
Reserves and surplus	4	22,179.79	16,268.06
<b>Non-current liabilities</b>			
Other long-term liabilities	5	2,317.88	2,348.56
Long-term provisions	6	4,358.40	3,833.63
<b>Current liabilities</b>			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	7	4,018.13	5,238.53
Other current liabilities	8	1,875.85	1,615.12
Short-term provisions	9	486.58	538.94
<b>Total</b>		<b>39,717.43</b>	<b>34,323.64</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	2,670.82	4,021.93
Intangible assets	11	224.83	110.30
Capital work in progress		10.35	3.44
Deferred tax assets (net)	12	3,312.31	3,153.15
Long-term loans and advances	13	7,363.40	7,362.07
Other non-current assets	14	72.19	62.47
<b>Current assets</b>			
Inventories	15	3,483.43	3,661.82
Trade receivables	16	6,817.16	7,880.94
Cash and bank balances	17	13,468.08	6,573.26
Short-term loans and advances	18	899.71	632.98
Other current assets	19	1,395.15	861.28
<b>Total</b>		<b>39,717.43</b>	<b>34,323.64</b>

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

**Ashraf M. A. Elarman**  
Managing Director

**Rajat Jain**  
Director

**Satpreet Singh Ahuja**  
Chief Financial Officer

**Rahul Chattopadhyay**  
Partner  
Membership Number: 096367

**Mohit Kumar**  
Finance Controller

**Rajiv L. Jha**  
Company Secretary &  
GM Legal

Gurgaon, India  
July 25, 2017

Gurgaon, India  
July 25, 2017

## Statement of Profit and Loss for the year ended March 31, 2017

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

	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations (Net)	22	53,271.04	52,075.42
Other Income	23	974.07	869.23
<b>Total Revenue</b>		<b>54,245.11</b>	<b>52,944.65</b>
<b>Expenses</b>			
Purchase of goods and services	24	28,402.02	27,479.32
Change in inventories of goods	25	310.61	286.62
Employee benefit expense	26	10,797.27	11,224.25
Finance costs	27	54.44	154.86
Depreciation and amortization expense	28	1,773.97	2,041.72
Other expenses	29	7,997.11	8,792.91
<b>Total expenses</b>		<b>49,335.42</b>	<b>49,979.68</b>
<b>Profit before exceptional item and tax</b>		<b>4,909.69</b>	<b>2,964.97</b>
Exceptional item - Profit on transfer of Business	22(a)	3,437.14	-
<b>Profit before tax</b>		<b>8,346.83</b>	<b>2,964.97</b>
<b>Tax expense</b>			
Current tax		2,668.31	1,346.33
Prior years tax		(56.67)	-
Deferred tax		(159.15)	(272.47)
<b>Profit for the year</b>		<b>5,894.34</b>	<b>1,891.11</b>
Earnings per equity share [Nominal value per share: Rs. 10 (March 31, 2016: Rs. 10)]	33		
Basic		13.15	4.22
Diluted		13.15	4.22

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

For and on behalf of Board of directors

**Ashraf M. A. Elarman**  
Managing Director

**Rajat Jain**  
Director

**Satpreet Singh Ahuja**  
Chief Financial Officer

**Rahul Chattopadhyay**  
Partner  
Membership Number: 096367

**Mohit Kumar**  
Finance Controller

**Rajiv L. Jha**  
Company Secretary &  
GM Legal

Gurgaon, India  
July 25, 2017

Gurgaon, India  
July 25, 2017

## Statement of Cash Flows for the year ended March 31, 2017

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

	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	8,346.83	2,964.97
<b>Adjustments for non-cash / non-operating items:</b>		
Depreciation and amortization expense	1,773.97	2,041.72
Finance cost	54.44	154.86
Interest income	(442.26)	(285.59)
Other non cash adjustments	220.22	569.62
Unrealised foreign exchange loss (net)	43.25	49.89
Profit on transfer of Business	(3,437.14)	-
<b>Operating profit before working capital changes</b>	<b>6,559.31</b>	<b>5,495.47</b>
(Increase) / Decrease in inventory	174.95	143.33
(Increase) / Decrease in trade receivables	991.33	(1,121.51)
(Increase) / Decrease in other current assets and short term loans & advances	(700.27)	223.13
(Increase) / Decrease in other bank balance	2,379.90	797.30
Increase / (Decrease) in trade payables	(1,299.96)	(326.82)
Increase / (Decrease) in other current liabilities & provisions	273.28	75.73
(Increase) / Decrease in other non-current assets and long term loans & advances	143.75	(183.40)
Increase / (Decrease) in other non-current liabilities & provisions	352.60	(106.71)
<b>Cash generated from operations</b>	<b>8,874.89</b>	<b>4,996.52</b>
Income tax paid including tax deducted at source	(2,784.17)	(1,167.18)
<b>Net cash generated from operating activities</b>	<b>6,090.72</b>	<b>3,829.34</b>
<b>B. Cash flows from investing activities</b>		
Purchase of tangible/ intangible assets	(1,328.82)	(1,383.55)
Proceeds from sale of tangible/ intangible assets	4,209.50	-
Interest received	360.10	243.60
<b>Net Cash from/ (used in) investing activities</b>	<b>3,240.78</b>	<b>(1,139.95)</b>
<b>C. Cash flows from financing activities</b>		
Repayment of intercompany deposits	-	(2,500.00)
Finance Cost	(54.44)	(215.27)
<b>Net Cash used in financing activities</b>	<b>(54.44)</b>	<b>(2,715.27)</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents (A+B+C)</b>	<b>9,277.06</b>	<b>(25.88)</b>
Effect of exchange differences on balance with banks in foreign currency	(2.34)	3.89
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,393.36</b>	<b>3,415.35</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>12,668.08</b>	<b>3,393.36</b>
Cash and cash equivalents comprise of:		
Cheques on hand	551.96	672.77
Bank balances		
- In current accounts	1,631.12	555.59
- Demand deposits (less than 3 months maturity)	10,485.00	2,165.00
<b>Total</b>	<b>12,668.08</b>	<b>3,393.36</b>

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

**Ashraf M. A. Elarman**  
Managing Director

**Rajat Jain**  
Director

**Satpreet Singh Ahuja**  
Chief Financial Officer

**Rahul Chattopadhyay**  
Partner  
Membership Number: 096367

**Mohit Kumar**  
Finance Controller

**Rajiv L. Jha**  
Company Secretary &  
GM Legal

Gurgaon, India  
July 25, 2017

Gurgaon, India  
July 25, 2017

# Notes to the Financial Statements

[All figures in ₹ lacs, unless otherwise stated]

## 1. General Information

Xerox India Limited ('the Company') was incorporated in India on December 29, 1995 and is engaged in the business of trading of xerographic equipments, multifunction devices, laser printers, systems, consumables, paper and providing after-sales services of machines sold which include servicing, repairing, selling spare parts. The Company is a Public Limited Company ultimately controlled by Xerox Corporation of USA.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2017.

## 2. Summary of significant accounting policies

### 2.1 Basis of accounting

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### 2.2 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 lives of fixed assets.

These estimates could 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.

### 2.3 Tangible assets

Tangible assets are stated at acquisition cost, net of Central value added tax (Cenvat) / Countervailing Duty (CVD), wherever claimed, accumulated depreciation and accumulated impairment losses, if any. Cost includes original cost of acquisition and includes expenses incidental to such acquisition. Items of fixed assets transferred from Inventory are capitalised at carrying cost at the time of transfer.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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 40). Any expected loss is recognised immediately in the Statement of Profit and Loss.

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.

### 2.4 Intangible assets

Intangible assets 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. A rebuttable presumption that the useful life of an intangible asset will not exceed 10 years from the date when the asset is available for use is considered by the management. The amortisation period and amortisation method are reviewed at each financial year end and if the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

### 2.5 Depreciation and Amortisation

Depreciation on Xerox equipments, whether self used or deployed at customer place (Global document outsourcing contracts) is provided on straight-line method over their estimated useful life (5 years). Leasehold land and leasehold improvements are amortised over the period of the lease. Intangible assets are amortised on straight-line method over their estimated useful life (2 - 7 years). Depreciation on all other fixed assets is provided on the written down value method over the estimated useful life of the assets at rates specified in Schedule II to the Companies Act, 2013.

All assets costing Rs. 5,000 or below are depreciated in the year of having been put to use by the way of a one time depreciation charge.

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 upto the date of disposal.

## 2.6 Impairment of assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

## 2.7 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:

Loose tools	Weighted average
Finished goods - trade	Weighted average
Components for sales and service of field machines	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.

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.

## 2.8 Foreign currency transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency (INR) and the foreign currency prevailing at the date of the transaction.

All monetary assets and liabilities in foreign currency are

restated at the end of accounting period using the exchange rate prevailing at the reporting date. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences on restatement of all monetary items are recognised in the Statement of Profit and Loss.

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is also recognised as income or as expense for the period.

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, income and expense items are translated at average exchange rates prevailing during the year or a rate that approximates the actual exchange rate, and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

## 2.9 Revenue recognition

**Sale of products:-** Revenue from sale of products is recognised as products are dispatched to the customers and upon the transfer of significant risks and rewards to the customer. Revenue from sale of products with a conditional clause on installation is recognised on completion of installation and acknowledgement by the customer. Sales are recorded at invoice value, net of trade discount, sales taxes, returns.

**Sale of services:-** Revenue from maintenance services and other services are recognized as per the terms of the agreement as and when the services are actually rendered.

In both the above situations, revenue is recognised when no significant uncertainty exists regarding collection of the consideration.

Software services and Other services (Business support) are rendered to overseas affiliates of Xerox India and the revenue is recognised on cost plus basis in accordance with the terms of the agreement entered between the company and these affiliates.

Revenue from fixed price contracts, where there is no uncertainty as to measurement or collectability of consideration, 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.

## 2.10 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

## 2.11 Employee benefits

**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. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

**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 and premium paid to such insurance company is charged to the statement of profit and loss. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognised as an income or expense in the Statement of Profit and Loss Account.

**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 (currently 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.

**Leave encashment:-** Leave encashment benefits (compensated absences) payable to employees on retirement, death while in service or on termination of employment with respect to accumulated leaves outstanding at the year are accounted for on the basis of an actuarial valuation using the projected unit credit method as at the balance sheet.

Short term employee benefits are recognised as an expense for services rendered during the year.

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of year are treated as short term employee benefits, while accumulated compensated absences expected to be availed or encashed beyond 12 months from the end of year are treated as other long term employee benefits. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

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

## 2.12 Current and deferred tax

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions and is based on the expected outcome of assessment.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right exists to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by the same governing taxation laws.

Minimum alternate tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## 2.13 Provisions and contingent liabilities

**Provisions:-** Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.



**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.

## 2.14 Warranty

### In house:

Model wise average warranty for spare and labour cost per month is determined based on historical consumption pattern. The warranty provision is made based on the rate determined above as a multiple of the number of months of warranty. In case of new models introduced for which historical data is not available, then the cost will be determined on the basis of similar type of existing models.

### Outsourced:

In case the warranty service is outsourced to authorized service providers, the warranty cost per month is fixed for each model as per the agreement. The warranty provision is made based on the actual fixed rate as a multiple of the number of months of warranty. The warranty provision is made in the month of sale of equipment.

## 2.15 Leases

### As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease Rentals in respect of operating lease arrangements are charged to expenses when due as per the terms of the related agreement on a straight line basis over the lease term.

### As a Lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss over the lease term which is representative of the time pattern in which the benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

## 2.16 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## 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 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the year in which they are incurred.

## 2.19 Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

## Notes to the Financial Statements

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

### 3. Share capital

**Authorised:**

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

**Issued:**

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

**Subscribed and paid up**

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

As at March 31, 2017	As at March 31, 2016
10,000.00	10,000.00
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, 2017		March 31, 2016	
No. of shares	Amount	No. of shares	Amount
44,808,000	4,480.80	44,808,000	4,480.80
-	-	-	-
44,808,000	4,480.80	44,808,000	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, 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, 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, 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, 2017	As at March 31, 2016
2,042.32	2,042.32
1,760.67	1,760.67
198.08	198.08

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

	March 31, 2017		March 31, 2016	
	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
XC Trading Singapore Pte Limited	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

4. Reserves and surplus

	As at March 31, 2017	As at March 31, 2016
<b>General reserve</b>	7,253.18	7,253.18
<b>Surplus in Statement of profit and loss</b>		
Balance as at the beginning of the year	9,014.88	7,123.77
Profit for the year	5,894.34	1,891.11
<b>Balance as at the end of the year</b>	14,909.22	9,014.88
<b>Foreign Currency Translation Reserve</b>	17.39	-
<b>Total</b>	22,179.79	16,268.06

5. Other long-term liabilities

	As at March 31, 2017	As at March 31, 2016
Security deposits received	67.88	69.23
Advance from customers	-	29.33
Other advances (Refer Note 40)	2,250.00	2,250.00
<b>Total</b>	2,317.88	2,348.56

6. Long-term provisions

	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits		
- Leave encashment	247.17	283.21
Provision for employee payments	50.90	43.33
Other provisions *		
- Litigation & disputes- Income tax	851.63	851.63
- Litigation & disputes- Indirect tax and legal cases	3,208.70	2,655.46
<b>Total</b>	4,358.40	3,833.63
<b>*Indirect taxes &amp; legal cases</b>		
Balance provision as at the beginning of the year	2,655.46	2,455.38
Additions	158.88	306.41
Amount written back / used	(14.32)	(106.33)
<b>Total</b>	2,800.02	2,655.46
Provision against excise refund under litigation (Refer note 20(b)(iv))	408.68	-
<b>Balance at the end</b>	3,208.70	2,655.46

Provision for litigation & disputes represents claims against the company, in respect of demand raised for Income tax, Sales Tax, Excise Duty, Custom Duty, Service Tax and other laws that are expected to materialise in respect of matters in litigation.

## 7. Trade payables

	As at March 31, 2017	As at March 31, 2016
Trade payables (Refer Note 36)	4,018.13	5,238.53
<b>Total</b>	<b>4,018.13</b>	<b>5,238.53</b>

## 8. Other current liabilities

Advance from customers	262.75	108.58
Payable to employees	76.90	104.78
Statutory dues including Provident fund and Tax deduction at source	628.55	490.66
Other liabilities	35.90	12.85
Non-trade payable for other contractual obligation	871.75	898.25
<b>Total</b>	<b>1,875.85</b>	<b>1,615.12</b>

## 9. Short-term provisions

Provision for employees retirement benefits		
- Leave encashment	10.43	7.44
- Superannuation	4.71	4.82
Provision for employee payments	414.55	434.19
Provision for warranty*	56.89	92.49
<b>Total</b>	<b>486.58</b>	<b>538.94</b>
<b>*Provision for warranty</b>		
Balance as at the beginning of the year	92.49	119.45
Additions	127.96	141.07
Amount used	(163.56)	(168.03)
Balance as at the end of the year	56.89	92.49

## 10. Tangible Assets

Particulars	Gross Block at Cost				Depreciation				Net Block
	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
<b>Own Assets:</b>									
Freehold land	4.15	-	-	4.15	-	-	-	-	4.15
Leasehold improvements	1,483.90	84.83	793.69	775.04	796.02	131.99	336.53	591.48	183.56
Buildings	276.58	-	-	276.58	204.67	4.67	-	209.34	67.24
Furniture, fixtures & equipment	417.95	62.81	218.54	262.22	265.65	51.08	139.40	177.33	84.89
Vehicles	38.75	-	12.94	25.81	34.48	1.39	11.95	23.92	1.89
Office equipment	444.32	87.37	104.69	427.00	277.12	88.87	72.65	293.34	133.66
Computers	1,687.79	206.96	737.09	1,157.66	1,275.22	301.76	552.92	1,024.06	133.60
<b>Total (A)</b>	<b>4,353.44</b>	<b>441.97</b>	<b>1,866.95</b>	<b>2,928.46</b>	<b>2,853.16</b>	<b>579.76</b>	<b>1,113.45</b>	<b>2,319.47</b>	<b>608.99</b>
<b>Assets given on operating lease:</b>									
Equipments	8,433.50	688.06	514.22	8,607.34	5,911.85	1,125.46	491.80	6,545.51	2,061.83
<b>Total (B)</b>	<b>8,433.50</b>	<b>688.06</b>	<b>514.22</b>	<b>8,607.34</b>	<b>5,911.85</b>	<b>1,125.46</b>	<b>491.80</b>	<b>6,545.51</b>	<b>2,061.83</b>
<b>Total (A+B)</b>	<b>12,786.94</b>	<b>1,130.03</b>	<b>2,381.17</b>	<b>11,535.80</b>	<b>8,765.01</b>	<b>1,705.22</b>	<b>1,605.25</b>	<b>8,864.98</b>	<b>2,670.82</b>

Note: Leasehold land and freehold land having a net book value of Rs.17.56 lacs and Rs. 6.49 lacs respectively (aggregating Rs. 24.05 lacs) held for sale at the year end are not included above and have been classified as other non-current assets. Original title deeds has been handed over to the transferee. Refer note 14 and 40.

Particulars	Gross Block at Cost				Depreciation				Net Block
	As at April 1, 2015	Additions during the Year	Adjustments/ Sold during the Year	As at March 31, 2016	Upto March 31, 2015	Provided during the Year	Adjustment during the Year	Upto March 31, 2016	As at March 31, 2016
<b>Own Assets:</b>									
Freehold land	4.15	-	-	4.15	-	-	-	-	4.15
Leasehold improvements	1,281.55	204.81	2.46	1,483.90	644.39	157.05	5.42	796.02	687.88
Buildings	276.58	-	-	276.58	199.65	5.02	-	204.67	71.91
Furniture, fixtures & equipment	402.07	16.33	0.45	417.95	203.72	62.36	0.43	265.65	152.30
Vehicles	38.75	-	-	38.75	31.69	2.79	-	34.48	4.27
Office equipment	286.65	160.72	3.05	444.32	207.67	69.05	(0.40)	277.12	167.20
Computers	1,322.72	443.26	78.19	1,687.79	1,044.41	303.83	73.02	1,275.22	412.57
<b>Total (A)</b>	<b>3,612.47</b>	<b>825.12</b>	<b>84.15</b>	<b>4,353.44</b>	<b>2,331.53</b>	<b>600.10</b>	<b>78.47</b>	<b>2,853.16</b>	<b>1,500.28</b>
<b>Assets given on operating lease:</b>									
Equipments	9,019.17	610.09	1,195.76	8,433.50	5,670.42	1,417.13	1,175.70	5,911.85	2,521.65
<b>Total (B)</b>	<b>9,019.17</b>	<b>610.09</b>	<b>1,195.76</b>	<b>8,433.50</b>	<b>5,670.42</b>	<b>1,417.13</b>	<b>1,175.70</b>	<b>5,911.85</b>	<b>2,521.65</b>
<b>Total (A+B)</b>	<b>12,631.64</b>	<b>1,435.21</b>	<b>1,279.91</b>	<b>12,786.94</b>	<b>8,001.95</b>	<b>2,017.23</b>	<b>1,254.17</b>	<b>8,765.01</b>	<b>4,021.93</b>

## 11. Intangible Assets

Particulars	Gross Block at Cost				Depreciation				Net Block
	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
Internal use Software	394.46	199.14	31.80	561.80	284.16	68.76	15.95	336.97	224.83
<b>Total</b>	<b>394.46</b>	<b>199.14</b>	<b>31.80</b>	<b>561.80</b>	<b>284.16</b>	<b>68.76</b>	<b>15.95</b>	<b>336.97</b>	<b>224.83</b>

Particulars	Gross Block at Cost				Depreciation				Net Block
	As at April 1, 2015	Additions during the Year	Adjustments/Sold during the Year	As at March 31, 2016	Upto March 31, 2015	Provided during the Year	Adjustment during the Year	Upto March 31, 2016	As at March 31, 2016
Goodwill	63.84	-	63.84	-	63.84	-	63.84	-	-
Internal use Software	364.27	30.19	-	394.46	259.67	24.49	-	284.16	110.30
<b>Total</b>	<b>428.11</b>	<b>30.19</b>	<b>63.84</b>	<b>394.46</b>	<b>323.51</b>	<b>24.49</b>	<b>63.84</b>	<b>284.16</b>	<b>110.30</b>

## 12. Deferred tax assets (net)

	As at March 31, 2017	As at March 31, 2016
Deferred tax assets (net)	3,312.31	3,153.15
<b>Total</b>	<b>3,312.31</b>	<b>3,153.15</b>

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

Particulars	As at March 31, 2017	Movement during the year	As at March 31, 2016
<b><u>Deferred tax liabilities</u></b>			
Sales tax recoverable	522.93	7.49	515.44
<b>Total gross deferred tax liabilities</b>	<b>522.93</b>	<b>7.49</b>	<b>515.44</b>
<b><u>Deferred tax assets</u></b>			
Depreciation	1,575.88	69.68	1,506.20
Provision for doubtful debts	314.07	(32.66)	346.73
Provision for doubtful advances	142.18	(9.32)	151.50
Provision for impairment of inventories	238.48	(45.96)	284.44
Provision for leave encashment	89.15	(11.44)	100.59
Provision for warranty	19.69	(12.32)	32.01
Interest on Income tax refunds	191.75	-	191.75
Provision for litigation and disputes	1,110.47	191.46	919.00
Other provisions	153.57	17.20	136.37
<b>Total gross deferred tax assets</b>	<b>3,835.24</b>	<b>166.64</b>	<b>3,668.59</b>
<b>Net deferred tax assets</b>	<b>3,312.31</b>	<b>159.15</b>	<b>3,153.15</b>

**13. Long-term loans and advances**

	As at March 31, 2017		As at March 31, 2016	
<b>Unsecured, considered good (unless otherwise stated)</b>				
Security deposits				
- Considered good	243.46		390.62	
- Considered doubtful	16.05		16.05	
Less: Provision for doubtful deposits	(16.05)	243.46	(16.05)	390.62
<b>Other loans and advances</b>				
Sales tax and Works Contract Tax Deposits under protest (refer note 20(b iii))	1,911.09		1,893.02	
- Less: Provision for doubtful recoverable	(1.32)	1,909.77	(11.65)	1,881.37
Excise duty (refer note 20(b)(iv))		37.27		37.27
Advance Income tax including Tax deducted at source recoverable Rs. 17,584.91 lacs (March 31, 2016 Rs. 14,800.74 lacs), net of corresponding Income tax provisions for the period where the assessments are pending Rs. 12,322.92 (March 31, 2016; Rs. 9,711.27 lacs)]	5,261.99		5,089.47	
- Less: Provision for doubtful TDS recoverable	(96.17)	5,165.82	(89.67)	4,999.80
Others	16.99		62.92	
- Less: Provision for doubtful recoverable	(9.91)	7.08	(9.91)	53.01
<b>Total</b>		<b>7,363.40</b>		<b>7,362.07</b>

**14. Other non-current assets**

	As at March 31, 2017		As at March 31, 2016	
<b>Unsecured :</b>				
Trade receivables under dispute				
- Considered doubtful	791.61		943.62	
Less: Provision for doubtful receivables	(791.61)	-	(943.62)	
Other advances				
- Considered good	48.14		38.42	
- Considered doubtful	55.96		29.09	
- Less: Provision for doubtful advances	(55.96)	48.14	(29.09)	38.42
Assets held for sale (Refer note 40)		24.05		24.05
<b>Total</b>		<b>72.19</b>		<b>62.47</b>

## 15. Inventories

	As at March 31, 2017	As at March 31, 2016
<b>Traded goods</b>		
[Including stocks in transit Rs. 146.50 lacs (March 31, 2016 Rs. 60.24 lacs) and stocks lying in warehouses managed by third parties Rs. 548.38 lacs (March 31, 2016 Rs. 755.08 lacs)]	<b>694.88</b>	815.32
<b>Components for sale and servicing of field machines</b>		
[Including stocks in transit Rs. 194.95 lacs (March 31, 2016 Rs. 376.71 lacs) and stocks lying in warehouses managed by third parties Rs. 3,058.87 lacs (March 31, 2016 Rs. 3,060.93 lacs)]	<b>3,459.57</b>	3,649.74
Loose tools	<b>18.05</b>	18.64
	<b>4,172.50</b>	4,483.70
Less: Provision for inventory	<b>(689.07)</b>	(821.88)
<b>Total</b>	<b>3,483.43</b>	3,661.82
<b>Detail of inventory</b>		
i) Traded goods		
- Equipments	<b>674.25</b>	798.68
- Paper	<b>20.63</b>	16.64
Total	<b>694.88</b>	815.32
ii) Components for sale & servicing of field machines:		
- Consumables	<b>1,815.70</b>	2,104.11
- Parts	<b>1,643.87</b>	1,545.63
Total	<b>3,459.57</b>	3,649.74

## 16. Trade receivables

Unsecured, considered good		
- Outstanding for a period exceeding six months from the date they are due for payment	<b>0.26</b>	17.86
- Others	<b>6,816.90</b>	7,863.08
Unsecured, considered doubtful		
- Outstanding for a period exceeding six months from the date they are due for payment	<b>21.81</b>	12.23
- Others	<b>94.09</b>	46.03
Less: Provision for doubtful debts	<b>(115.90)</b>	(58.26)
<b>Total</b>	<b>6,817.16</b>	<b>7,880.94</b>



**17. Cash and Bank balances**

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cheques in hand	551.96	672.77
Bank balances		
- in current accounts	1,631.12	555.59
- Demand deposits (less than 3 months maturity)	10,485.00	2,165.00
	12,668.08	3,393.36
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months	800.00	3,179.90
<b>Total</b>	<b>13,468.08</b>	<b>6,573.26</b>

**18. Short-term loans & advances**

Unsecured considered good (unless otherwise stated)			
- Advance to employees		16.09	44.49
- Advances to vendors (including Works Contract Tax certificates receivable)	419.22		286.56
Less: Provision for doubtful claims	(25.52)	393.70	(27.78)
- Security deposits given		15.52	25.52
Amounts recoverable from government authorities			
- VAT input credit		24.69	10.57
- Service tax		449.71	293.62
<b>Total</b>		<b>899.71</b>	<b>632.98</b>

**19. Other current assets**

Claims Recoverable			
- Unsecured considered good	204.08		399.07
- Unsecured considered doubtful	205.89		253.62
Less: Provision for doubtful claims	(205.89)	204.08	(253.62)
Interest accrued on fixed deposits		154.02	71.86
Prepaid expenses (including Gratuity)		458.82	310.17
Contract Work in Progress*		573.68	-
Other recoverable**		-	19.76
Other bank balances			
- Deposit with banks held as margin money***		4.55	2.30
- Lien created by tax authorities		-	58.12
<b>Total</b>		<b>1,395.15</b>	<b>861.28</b>

\* Cost related to future activity on fixed price contract

\*\* Refer note no. 37 (b)

\*\*\* Held as lien by bank against Bank guarantee

## 20. Contingent liabilities

- a) Bank Guarantees given of Rs. 2,778.68 lacs (March 31, 2016 Rs. 2,936.93 lacs) represent guarantees given in the normal course of the company's operations and are not expected to result in any loss to the company on the basis of the beneficiary fulfilling its ordinary commercial obligations. Also refer note 20(b) below.

### b) Statutory matters:

	As at March 31, 2017	As at March 31, 2016
i. Contingent liabilities, net of provisions amounting to Rs. 220.13 lacs (March 31, 2016 Rs. 214.28 lacs) in respect of pending legal suits that are not acknowledged as debts.	601.43	729.64
ii. Disputed Income tax demands including interest, net of provision Rs. 851.63 lacs (March 31, 2016 Rs. 851.63 lacs) against which the company/ authorities have preferred an appeal against the orders. The company has deposited Rs. 4,041.55 lacs (March 31, 2016 Rs. 4,041.55 lacs) and given Bank guarantees amounting to Rs. 1,849.94 (March 31, 2016 Rs. 1,849.94) as included in Note 21(a) above against such litigations. During the year, demands aggregating Rs. 912.59 lacs were received and appealed by the Company, contingent demand of Rs. 575.30 lacs against the aforesaid order was deleted, contingent demand has been increased by interest of Rs. 241.93 lacs on unpaid contingent demands.	10,844.09	10,264.87
iii. Sales tax demands, net of provision of Rs. 2,473.47 lacs (March 31, 2016 Rs. 2,361.42 lacs) disputed by the company against which the company has preferred an appeal. The company has deposited Rs. 1,909.77 lacs (March 31, 2016 Rs. 1,881.37 lacs) against all Sales tax demands. During the year demands aggregating to Rs. 128.52 lacs have been received during the year and contingent interest of Rs. 361.24 lacs has been added during the year. Demand of Rs. 107.25 lacs has been settled during the year	983.45	712.99
iv. Excise duty demands, net of provision of Rs. 472.69 lacs (March 31, 2016 Rs. 37.27 lacs) disputed by the company/ department against which the company has preferred an appeal. Amount deposited by the company is Rs. 37.27 lacs (March 31, 2016 Rs. 37.27 lacs). During the year demand of Rs. 271.75 Lacs settled. The authority also refunded Rs. 435.42 Lacs during the year, out of which it deducted Rs. 26.72 lacs and paid Rs. 408.68 lacs against which it has filed appeal to higher authorities. This amount has been kept under Long term Provisions (Refer note 6)	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, 2002 to November 4, 2005. 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 lacs with penalty of Rs. 75.01 lacs. 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

	As at March 31, 2017	As at March 31, 2016
vi. The Company had received nine show cause notices from the Commissioner of Service Tax, New Delhi for the period May 06 to June 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. The department has filed an appeal before CESTAT during the year against the relief given of Rs. 268.89 lacs in paper sale/full material sale under XGS. Other five notices were adjudicated vide Order dated December 31, 2013 giving partial relief of Rs. 1,175.50 lacs & last one notice has also been adjudicated vide Order dated July 27, 2015 giving partial relief of Rs. 596.50 lacs and against this relief department has also filed an appeal before CESTAT, New Delhi. Company has also deposited amount of Rs. 70.46 Lacs to file the appeal before CESTAT Delhi.	9,975.22	9,706.33

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.

## 21. Capital and other commitments

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for against which advance has not been paid, Rs. 24.72 lacs (March 31, 2016 Rs. 352.29 Lacs).

**b) Forward contracts and unhedged foreign currency exposure**

Forward contract outstanding as at the reporting date

Particulars	Purpose	As at March 31, 2017	As at March 31, 2016
Forward contracts to buy USD	Hedge of firm commitment	USD 27.38 lacs; Rs. 1,813.75 lacs	USD 23.30 lacs; Rs. 1,560.45 lacs

The year end foreign currency exposures that have not been hedged by a forward contract or otherwise is as follows:

	As at March 31, 2017		As at March 31, 2016	
	Rs.	Foreign Currency	Rs.	Foreign Currency
i) Receivables in foreign currency				
- Trade receivables	962.82	USD 14.26	1,795.86	USD 26.54
- Trade receivables	16.53	£0.20	3.19	£0.03
ii) Payables in foreign currency				
- Trade payable	424.38	USD 6.43	1,362.91	USD 19.79
- Trade payable	3.05	£0.04	16.49	£0.17
- Trade payable	4.02	JPY 6.81	3.01	JPY 4.93
- Trade payable	2.87	€ 0.04	2.00	€ 0.03

## 22. Revenue from operations

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products		
- Traded goods	20,134.75	19,857.42
Sale of services	23,659.91	22,428.80
Other operating revenue		
- Software support services	5,043.83	3,211.81
- Business support services	4,432.55	6,577.39
<b>Total</b>	<b>53,271.04</b>	<b>52,075.42</b>
<b>Details of sales (Traded goods)</b>		
Equipment	10,804.65	11,904.12
Paper	4,430.11	2,953.31
Components	4,899.99	4,999.99
	<b>20,134.75</b>	<b>19,857.42</b>

**22(a)** On November 07, 2016, the Board of Directors of Xerox India Limited has 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 the process of postal ballot (results of which were declared on December 13, 2016), a Business Transfer Agreement were executed by the Company with Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.) towards the 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 lacs. Fixed assets, current assets, current liabilities amounting Rs. 761.15 lacs, 183.35 lacs, 172.14 lacs respectively have been transferred and accordingly a gain of Rs. 3,437.14 lacs has been recorded as an exceptional item.

## 23. Other income

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Interest income</b>		
- from banks	440.11	285.37
- from others	2.15	0.22
Exchange gain on foreign currency transactions (net)	357.69	440.01
<b>Others</b>		
- Liabilities / provisions written back to the extent no longer required	64.91	24.62
- Profit on sale of fixed assets	6.23	-
- Scrap sale	0.20	1.38
- Miscellaneous income *	102.78	117.63
<b>Total</b>	<b>974.07</b>	<b>869.23</b>

\*including Rs. 19.76 lacs recoverable from an erstwhile director during previous year ended March 31, 2016

**24. Purchase of goods and services**

	Year ended March 31, 2017		Year ended March 31, 2016	
Purchase of services and components for sale and servicing of field machines (including warranty costs)		15,856.82		15,394.37
Purchase of traded goods	13,229.82		12,424.84	
Less: capitalised under Fixed assets	(688.06)	12,541.76	(610.09)	11,814.75
Provision for obsolescence of inventories		3.44		270.20
<b>Total</b>		<b>28,402.02</b>		<b>27,479.32</b>
<b>Details of consumption and purchases</b>				
<b>a. Purchase of traded goods</b>				
Equipment		8,352.47		9,018.32
Paper		4,189.30		2,796.43
<b>Total</b>		<b>12,541.77</b>		<b>11,814.75</b>

**b. Value of imported and indigenous components consumed**

	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount	%	Amount
Components *				
- Imported	98.45	10,251.30	98.50	10,399.59
- Indigenous	1.55	161.84	1.50	158.31
	100.00	10,413.14	100.00	10,557.90

\* Represents components sold and used for servicing of field machines and is included in "Purchase of services and components for sale and servicing of field machines"

**25. Change in inventories of goods**

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Traded goods</b>		
- At the beginning of the year	815.32	1,099.38
- At the end of the year	694.88	815.32
	120.44	284.06
<b>Components for sale and servicing of field machines</b>		
- At the beginning of the year	3,649.74	3,652.30
- At the end of the year	3,459.57	3,649.74
	190.17	2.56
<b>Decrease in inventories</b>	<b>310.61</b>	<b>286.62</b>

**26. Employee benefit expense**

Salaries, wages and bonus	10,222.78	10,713.66
Contribution to Provident and other funds (refer note (26(a) and 26(b) below)	433.70	436.87
Gratuity (refer note 26(b) below)	83.88	(0.64)
Staff welfare	56.91	74.36
<b>Total</b>	<b>10,797.27</b>	<b>11,224.25</b>

**(a) Contribution to Provident and other funds**

Amount recognised in the Statement of Profit and Loss:

- Provident fund	279.37	276.75
- Pension fund	94.89	104.78
- Superannuation	58.45	54.58
- Labour welfare fund	0.99	0.76
<b>Total</b>	<b>433.70</b>	<b>436.87</b>

**(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.

**(i) Present value of defined benefit obligation**

	Provident fund		Gratuity	
	Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balance at the beginning of the year	5,808.63	4,832.18	846.70	813.72
Current service cost	279.37	276.76	137.87	160.82
Interest cost	464.69	386.57	67.74	65.10
Contribution by plan participants	446.89	419.89	-	-
Actuarial (gains) / losses	56.30	27.52	(28.42)	(146.51)
Benefits paid	(623.77)	(459.21)	(46.06)	(46.43)
Acquisition adjustment	-	-	(114.14)	-
Settlements	221.23	324.92	-	-
Balance at the end of the year	<b>6,653.34</b>	5,808.63	<b>863.69</b>	846.70

**(ii) Fair value of plan assets**

Balance at the beginning of the year	6,096.53	5,067.20	1,054.61	938.37
Expected return on plan assets	533.45	443.38	84.37	84.45
Actuarial gains / (losses)	(17.77)	23.59	8.94	(3.06)
Contribution by the company	279.37	276.76	142.08	82.61
Contribution by plan participants	446.89	419.89	-	-
Mortality & FMC Charges	-	-	-	(1.34)
Benefits paid	(623.77)	(459.21)	(46.06)	(46.42)
Settlements	221.23	324.92	-	-
	<b>6,935.93</b>	6,096.53	<b>1,243.94</b>	1,054.61
Actual return on Plan assets	-	-	84.37	84.45

**(iii) Assets and liabilities**

	Provident fund		Gratuity	
	Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Present value of defined benefit obligations	6,653.34	5,808.63	863.69	846.70
Less: Fair value of Plan assets	6,935.93	6,096.53	1,243.94	1,054.61
Less: Unrecognised Past service costs	-	-	-	-
Shortfall / (excess) - refer note ix below	(282.59)	(287.90)	(380.25)	(207.91)
Amounts recognised as liability / prepaid expenses	-	-	(380.25)	(207.91)
Recognised under:				
- Prepaid Expenses	-	-	(380.25)	(207.91)

**(iv) Expense recognised in the Statement of profit and loss**

Current service cost	279.37	276.76	137.87	160.82
Interest cost	-	-	67.74	65.10
Expected return on Plan assets	-	-	(84.37)	(84.45)
Actuarial Gains / losses	-	-	(37.35)	(143.45)
Past Service costs	-	-	-	-
Settlements	-	-	-	-
Mortality & FMC Charges	-	-	-	1.34
Total expense	-	-	-	-
Amount recognised as expense	279.37	276.76	83.89	(0.64)

**(v) Major category of Plan assets as a percentage of total Plan assets**

(Refer note below)				
Government securities (Central & state)	49%	47%	-	-
Corporate bonds/debentures/loans	-	-	-	-
Equity shares of listed companies	2%	1%	-	-
Fixed deposits under special deposit scheme of central government	-	-	-	-
Public sector unit bonds	47%	49%	-	-
Fixed deposits and money market instruments	-	-	-	-
Others	2%	3%	-	-
Total	100%	100%	-	-

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

**(vi) Actuarial assumptions**

Discount rate	-	-	7.54%	8.00%
Expected return on Plan assets	8.65%	8.75%	7.55%	8.00%
Salary growth rate	10.00%	10.00%	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**(vii) Amounts recognised in current year and previous four years**

	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Gratuity					
Defined benefit obligation	863.69	846.70	813.72	850.27	713.53
Plan asset	1,243.94	1,054.61	938.37	807.25	659.69
(Surplus) / deficit	(380.25)	(207.91)	(124.65)	43.02	53.84
Experience adjustments in plan liabilities	-	-	-	-	-
Experience adjustments in plan assets	-	-	-	-	-

**(viii) Expected contribution to the funds in the next year**

	Year ended March 31, 2017	Year ended March 31, 2016
Gratuity	154.99	199.85

The plan assets of the company are managed by Life Insurance Corporation of India through two Gratuity cum Insurance policies taken to fund the obligations of the company with respect to its gratuity plan. The categories of plan assets is as per the investment pattern of Life Insurance Corporation of India for group gratuity fund managed for total investments for several other companies.

- (ix) In respect of company's obligation towards guaranteed returns on Provident fund contribution made to the Xerox India Employees' Provident Fund Trust, as the total overall interest earnings and cumulative surplus, on the basis of unaudited accounts of the trust, have been estimated to meet the statutory requirement, no additional provision for the year has been made. The company does not envisage any shortfall on completion of audit of the trust for the year ended March 31, 2017. Pending completion of the audit of the trust for the year ended March 31, 2017, the excess of planned assets over the present value of defined benefit obligation of Rs. 282.59 lacs (March 31, 2016: Rs. 287.90 lacs) has not been recognised in these accounts.

**Leave encashment fund**

The status of the leave encashment plan including reconciliation of the opening and closing balance of the present value of defined benefit obligations are as follows:

**(i) Present value of defined benefit obligation**

	Year ended March 31, 2017	Year ended March 31, 2016
Balance as at the beginning of the year	290.65	268.92
Acquisition adjustment	(74.56)	-
Service cost	89.27	109.85
Interest cost	23.25	21.51
Benefits paid	(77.34)	(31.07)
Actuarial (gain)/loss	6.33	(78.56)
Balance as at the end of the year	257.60	290.65



<b>(ii) Fair value of Plan assets</b>		
Fair value of plan assets at the beginning of the period	-	-
Acquisition adjustment	-	-
Actual return on plan assets	-	-
Contribution	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the period	-	-
Funded status	-	-
Excess of actual over estimated return on plan assets	-	-
<b>(iii) Expense recognised in the Statement of profit and loss</b>		
Current service cost	89.27	109.85
Interest cost	23.25	21.51
Expected return on Plan assets	-	-
Actuarial (gains) / losses	6.33	(78.56)
Past service costs	-	-
Settlements	-	-
Curtailments	-	-
Total expense	-	-
Amount recognised as expense in Salaries, wages and bonus	118.85	52.80
<b>(iv) The amounts to be recognised in balance sheet and related analysis</b>		
Present value of obligation as at the end of the period	257.60	290.65
Fair value of plan assets at the end of the period	-	-
Funded status / difference	-	-
Excess of actual over estimated	-	-
Unrecognised actuarial (gains)/loss	-	-
Net assets/(liability) recognised in balance sheet	(257.60)	(290.65)
<b>(v) Expected contribution to the funds in the next year</b>		
- Leave encashment	59.15	78.29

	Year ended				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
<b>Actuarial Assumptions</b>					
Discounting rate	7.54%	8.00%	8.00%	8.00%	8.00%
Future salary increase	10.00%	10.00%	11.00%	11.00%	10.00%

## 27. Finance costs

	Year ended March 31, 2017	Year ended March 31, 2016
Interest		
- Inter- company deposits	-	109.08
- Others	-	0.01
Factoring cost*	54.44	45.77
<b>Total</b>	<b>54.44</b>	<b>154.86</b>

\*The Company has an arrangement with IBM India Private Limited whereby IBM purchases the company invoices raised by it on its certain distributors/remarketers without recourse and makes a discounting charge (Factoring charge) at predetermined rates. IBM finally collects the payments from the distributors/remarketers.

## 28. Depreciation and amortisation expense

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on tangible assets	1,705.22	2,017.23
Amortisation of intangible assets	68.75	24.49
<b>Total</b>	<b>1,773.97</b>	<b>2,041.72</b>

## 29. Other expenses

	Year ended March 31, 2017	Year ended March 31, 2016
Consumables and spare parts - own use equipments	23.65	25.37
Charity and Donations	35.26	4.79
Repair & Maintenance - others	373.10	407.12
Bad debts and advances written off	33.41	33.22
Less: Provision for bad debts & advances written back	(33.41)	(33.22)
Provision/(Release) for doubtful advances	(11.67)	(18.51)
Provision for doubtful debts	111.11	10.40
Provision for litigations & disputes	158.88	306.41
Electricity expenses	160.51	144.13
Rates and taxes	67.80	159.72
General expenses	257.56	324.57
Rent	778.90	701.32
Bank charges	12.05	12.98
Insurance	122.55	128.19
Legal & professional expenses	493.00	699.85
Auditors' Remuneration		
- Statutory audit	52.24	43.51
- Other services	1.34	1.09
- Reimbursement of expenses	1.05	5.05
Printing and stationery	12.70	20.26
Cost of services purchased	1,336.48	1,411.88
Communication expenses	185.55	187.04
Sales commission & Incentives and discounts	899.86	1,054.09
Fixed assets written off	29.60	25.74
Advertisement and publicity	191.19	201.06
Transportation & warehousing	1,427.15	1,474.28
Conveyance & travelling	1,277.25	1,462.57
<b>Total</b>	<b>7,997.11</b>	<b>8,792.91</b>

## 30. CIF value of imports

	Year ended March 31, 2017	Year ended March 31, 2016
Components	11,582.92	12,238.82
Traded goods	7,417.54	7,996.56
<b>Total</b>	<b>19,000.46</b>	<b>20,235.38</b>

**31. Expenditure in foreign currency (accrual basis)**

	Year ended March 31, 2017	Year ended March 31, 2016
Travelling	220.72	229.39
Salary	161.25	740.23
Consultancy	66.60	88.98
Rent	12.90	-
Other services	447.44	138.31
<b>Total</b>	<b>908.91</b>	<b>1,196.91</b>

**32. Earnings in foreign currency**

	Year ended March 31, 2017	Year ended March 31, 2016
FOB value of exports	99.55	34.70
Software support services	5,043.83	3,211.81
Business support services	4,432.55	6,577.39
Sale of Services	726.16	6.00
Miscellaneous income	100.26	91.50
<b>Total</b>	<b>10,402.35</b>	<b>9,921.40</b>

**33. 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, 2017	Year ended March 31, 2016
(a) Net profit after tax	5,894.34	1,891.11
(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.)	13.15	4.22

\*There are no potential dilutive equity shares

**34. 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) Where control exists:**

Ultimate holding/parent company	Xerox Corporation, USA
Enterprise having substantial interest 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 which do not exercise control or significant influence over the company	Xerox Commercial Solutions Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.) Newfield Information Technology Limited Xerox (Europe) Limited Xerox Developing Markets Limited Xerox International Partners Xerox Management Services N.V. Xerox Egypt S.A.E. 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)  
 Rodney Noonoo-Chief Financial Officer (upto January 31, 2016)  
 Satpreet Singh- Chief Financial Officer (from February 01, 2016)  
 Rajiv L. Jha - Company Secretary & GM Legal (from March 24, 2015)

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

	Year ended March 31, 2017	Year ended March 31, 2016
<b>(a) Revenue</b>		
Ultimate holding/parent company		
Xerox Corporation, USA		
- Sale of products	-	0.00
- Software support services	5,043.83	3,211.81
- Business support services	4,035.72	6,128.93
Enterprise having substantial interest in the company		
Xerox Limited, UK		
- Product sale	99.55	34.70
- Other income	100.26	91.50
- Business support services	92.27	86.19
XC Trading Singapore Pte Limited		
- Business support services	304.56	362.27
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.)		
- Sale of products/ services	79.31	70.50
- Sale of business (net of stamp duty)	4,209.50	-
<b>(b) Reimbursement of expenses paid on their behalf</b>		
Ultimate holding/parent company		
- Xerox Corporation, USA		
	111.34	144.31
Enterprise having substantial interest in the company		
- Xerox Limited, UK		
	96.96	133.59
Fellow Subsidiaries and other companies which does not exercise significant control over the company		
- Xerox Management Services N.V.		
	-	0.29
<b>(c) Expenses</b>		
Ultimate holding/parent company		
Xerox Corporation, USA		
- Purchases	0.78	1.13
- Reimbursement of salary paid on our behalf	89.48	621.94
- Other expenses	165.63	93.48
Enterprise having substantial interest in the company		
Xerox Limited, UK		
- Purchases	18,927.53	20,106.77
- Other expenses	98.93	90.28

	Year ended March 31, 2017	Year ended March 31, 2016
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	59.60	45.32
Xerox Egypt SAE		
- Reimbursement of salary paid on our behalf	0.71	60.99
- Other expenses	-	9.40
Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.)		
- Interest expenses	-	109.08
Others		
- Reimbursement of salary paid on our behalf	11.45	11.98
- Other expenses	42.06	67.40
Key Managerial Personnel - remuneration		
- Ashraf M. A. Elarman	436.84	352.98
- Rodney Noonoo	-	650.87
- Satpreet Singh Ahuja	84.33	15.30
- Rajiv L. Jha	33.09	28.05
<b>(d) Intercompany deposits</b>		
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.)	-	(2,500.00)
<b>(e) Balance outstanding as at the year end</b>		
<b>Receivables</b>		
Ultimate holding/parent company		
- Xerox Corporation, USA	912.75	1,762.37
Enterprise having substantial interest in the company		
- Xerox Limited, UK	51.15	46.99
- XC Trading Singapore Pte Limited	15.93	27.02
- Xerox Business Services India LLP (erstwhile Xerox Business Services India Pvt. Ltd.)	37.72	-
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
- Others	-	0.32
<b>Payables</b>		
Ultimate holding/parent company		
- Xerox Corporation, USA	1.80	202.80
Enterprise having substantial interest in the company		
- Xerox Limited, UK	2,190.14	2,784.12
-Others	2.75	20.04
Fellow subsidiaries and other companies which do not exercise control or significant influence over the company		
-Fuji Xerox Co Ltd	4.02	-

Note: The name of related parties is based on information provided by Xerox Corporation, USA

### 35. Leases

	Year ended March 31, 2017	Year ended March 31, 2016
<b>(a) Operating leases where the company is a lessee:</b>		
The Company has operating leases for premises. 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 and also include escalation clauses.		
Lease payments recognised in the Statement of Profit and Loss during the year	778.90	701.32
<b>With respect to non-cancellable operating leases, the future minimum lease payments are as follows:</b>		
Not later than one year	27.10	189.18
Later than one year but not later than five years	42.09	252.25
More than five years	-	-
<b>(b) Operating leases where the company is a lessor:</b>		
The Company has given certain assets-equipments on operating leases on which the company earns service revenue. These lease arrangements range for a period between 5 and 7 years and are cancellable leases. With respect to such operating leases, the information required to be disclosed in accordance with Accounting Standard 19 is as follows:		
(i) Gross carrying amount	8,607.34	8,433.50
(ii) Accumulated Depreciation	6,545.51	5,911.85
(iii) Depreciation provided during the year	1,125.46	1,417.13

### 36. 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, 2017	As at March 31, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
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.

### 37. 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, 2017	Year ended March 31, 2016
Salary and other perquisites *	410.53	333.11
Provident fund *	26.31	19.87
Total	436.84	352.98

\* the payment has been made to the Managing Director for the period beginning April 1, 2016 (Previous year the payment was from June 22, 2015 till March 31, 2016.)

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.

- (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 on March 31, 2009, the Company, over the years, had written to MCA seeking clarification w.r.t. inclusion of perquisites in the approved remuneration as aforesaid and also sought approval from MCA for payment of excess managerial remuneration of Rs. 19.76 Lacs as paid by the Company to the managerial personnel for the said financial year 2008-09. The said excess managerial remuneration was computed by giving effect to VRS expenditure as a non-deductible item in the computation of the net profits under the provisions of Section 349 of the erstwhile Companies Act, 1956.

In absence of the said clarification/approval from MCA for such excess managerial remuneration, the Company (during the financial year 2015-16) recognised the excess managerial remuneration paid (amounting to Rs. 19.76 Lacs) as recoverable from the managerial personnel as was held in trust under the provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956) and accordingly, included the same in "Miscellaneous Income" (refer note 20) in the audited financial statements of the Company for the aforesaid financial year 2015-16, and the said audited financial statements were approved by the shareholders of the Company in the 20<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September 2016. Subsequently, the Company submitted a letter (dated 7<sup>th</sup> October 2016) with MCA withdrawing its application seeking approval for the payment of aforesaid excess managerial remuneration. Pursuant to the above, during the year ended March 31, 2017, the Company has recovered the aforesaid amount of excess remuneration amounting to Rs. 19.76 Lacs from its parent company on behalf of the concerned managerial personnel.

### 38. Disclosures

- (a) During the FY 2014-15, the Directorate of Enforcement ("ED") summoned the Company and sought further information relating to its trading activities and other details and approvals obtained for activities undertaken by the Company during 2000-2003 under the provisions of the Foreign Exchange Management Act, 1999. The Company appropriately responded to the same. Besides, the Company also requested the Reserve Bank of India (RBI) vide its letter dated 8<sup>th</sup> September, 2014 seeking clarity on the approval requirement with respect to the trading activities undertaken by the Company during the period 2000 to 2003. Based on the Company's submissions, RBI (vide its letter dated 23<sup>rd</sup> November 2016) advised that the matter has been examined in consultation with the Government of India and it is advised that in terms of Press Note 2 of 2000 dated February 11, 2000, FDI in cash and carry wholesale trading require prior approval of the Foreign Investment Promotion Board (FIPB).

In view of aforesaid RBI clarification, the Company submitted an application with FIPB on 29<sup>th</sup> December 2016 seeking its post facto approval to the aforesaid. The Company's application was considered by FIPB in its meeting held on 29<sup>th</sup> March 2017. Subsequently, the Company received a letter (Dt. 24<sup>th</sup> April 2017) from FIPB conveying, inter alia, that the Company's application for post-facto approval has been rejected on the ground that the Company did not seek specific approval for the aforesaid. In light of that, the Company believes that the rejection is on technical grounds and can be re-presented to the FIPB vide a revision application. Accordingly, the Company has filed a re-presentation application to the FIPB on 23<sup>rd</sup> May 2017.

Pursuant to the FIPB's disbanding having come into effect and Department of Industrial Policy and Promotion (DIPP) now being the appropriate authority in place of FIPB, the re-presentation application would now be processed by DIPP.

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 which may depend on various factors viz. view taken by DIPP in relation to the Re-presentation Letter, the aggregate foreign investment in the Company, revenue and profits earned from the trading activities during the period 2000-2003. Accordingly, liability shall be recognised in the year such uncertainty will be 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.

**39. Segment Reporting**

The Company has considered the business segment as the primary reporting segment on the basis that the risk and returns of the company is primarily determined by the nature of products and services. The business segment have been identified on the basis of the nature of products and services and the associated risks and returns, internal organisation and internal reporting structure. The geographical segment has been considered as a secondary segment

The company trades in xerographic equipments and its consumables, multifunction devices, laser printers, paper and provides after sales services to machines sold which includes servicing, repair and sale of spare parts. Accordingly the primary business segments have been bifurcated into Global Document Outsourcing, Office, Graphic Communications, Paper and Other support service.

Geographical segment is considered based on sales within India and outside India.

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## (a) Primary Segment: Business Segment

(All figures in Rs. Lacs, unless otherwise stated)

Reportable Segments	Year ended March 31, 2017						Year ended March 31, 2016								
	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	
<b>Segment Revenue</b>	8,477.84	10,785.97	19,374.56	4,430.12	9,476.38	726.16	53,271.03	8,073.81	11,545.72	19,713.38	2,953.31	9,789.20	-	52,075.42	
<b>Segment Result</b>	3,298.59	4,227.40	5,935.45	221.55	906.68	201.65	14,791.32	2,880.85	4,097.31	5,954.56	137.60	899.97	-	13,970.29	
Unallocated Other Expenses	-	-	-	-	-	-	(10,801.26)	-	-	-	-	-	-	(11,719.69)	
Other Income	-	-	-	-	-	-	974.07	-	-	-	-	-	-	869.23	
Profit on sale of undertaking	-	-	-	-	3,437.14	-	3,437.14	-	-	-	-	-	-	-	
Finance Costs	-	-	-	-	-	-	(54.44)	-	-	-	-	-	-	(154.86)	
<b>Tax expense</b>	-	-	-	-	-	-	(2,452.49)	-	-	-	-	-	-	(1,073.86)	
<b>Net Profit/(Loss)</b>							<b>5,894.34</b>							<b>1,891.11</b>	
	<b>As at March 31, 2017</b>														
<b>Other Information</b>															
Segment assets	2,197.70	1,124.29	2,209.06	14.22	341.07	772.64	6,658.98	2,572.97	1,413.67	2,196.18	7.95	1,347.79	-	7,538.56	
Trade receivables	1,031.50	**	**	196.92	912.75	488.91	5,682.31	1,040.01	**	**	196.92	1,815.68	-	7,880.94	
Accrued revenue	1,083.74	-	51.11	-	-	-	1,134.85	603.06	-	81.12	-	-	-	684.18	
Unallocated assets	-	-	-	-	-	-	26,241.29	-	-	-	-	-	-	18,170.82	
<b>Total assets</b>							<b>39,717.43</b>							<b>34,274.50</b>	
Trade payable	55.39	**	**	192.69	-	278.06	4,018.13	166.02	**	**	277.93	-	-	5,238.53	
Accruals	296.22	-	-	-	-	258.01	554.23	180.22	-	-	-	-	-	180.22	
Unallocated liabilities	-	-	-	-	-	-	35,145.07	-	-	-	-	-	-	28,855.75	
<b>Total liabilities</b>							<b>39,717.43</b>							<b>34,274.50</b>	
	<b>As at March 31, 2017</b>														
	<b>As at March 31, 2016</b>														
<b>Capital expenditure</b> (including capital work in progress & capital advances)	688.06	-	-	-	246.81	-	934.87	610.09	-	-	-	807.08	-	1,417.17	
Unallocated capital expenditure	-	-	-	-	-	-	394.29	-	-	-	-	-	-	48.23	
Depreciation	1,125.46	-	-	-	474.65	-	1,600.11	1,417.13	-	-	-	510.50	-	1,927.63	
Unallocated depreciation	-	-	-	-	-	-	173.86	-	-	-	-	-	-	114.09	

\*\*Refer Note 5 below

Reportable Segments	Year ended March 31, 2017					Year ended March 31, 2016					Total						
	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			
<b>Other Non-cash Adjustments</b>																	
Provision for indirect taxes and legal cases	-	-	-	-	-	-	158.88	-	-	-	-	-	-	-	-	-	306.41
Provision for doubtful advances	-	-	-	-	-	-	(11.67)	-	-	-	-	-	-	-	-	-	(18.51)
Provision for doubtful debts	-	-	-	-	-	-	111.11	-	-	-	-	-	-	-	-	-	10.40
Provision for obsolescence of inventories	-	-	-	-	-	-	3.44	-	-	-	-	-	-	-	-	-	270.20
Loss/ (profit) on sale of tangible assets (net)	-	-	-	-	-	-	(6.23)	-	-	-	-	-	-	-	-	-	-
Fixed assets written off	-	-	-	-	-	-	29.60	-	-	-	-	-	-	-	-	-	25.74
Bad debts and advances written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions written back	-	-	-	-	-	-	(64.91)	-	-	-	-	-	-	-	-	-	(24.62)

**(b) Secondary Segment: Geographic Segment**

**Segment revenue by location of customer**

Domestic	43,842.75	43,029.26
America	9,079.55	9,340.74
Bangladesh	726.16	-
Europe	292.08	212.38
Rest of world	304.57	362.27
<b>Total</b>	<b>54,245.11</b>	<b>52,944.65</b>

**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. 3,052.23 lacs (March 31, 2016 Rs. 4,828.34 lacs) towards Office and Graphic communication. Trade payables include Rs. 3,491.99 lacs (March 31, 2016 Rs. 4,794.58 lacs) 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.

**40. 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.

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 Lacs, out of which Rs. 1150 Lacs 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 is 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 had written 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. 29<sup>th</sup> April 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 14<sup>th</sup> July 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 has 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 (refer Note 14)

41. 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 2015-16 did not result in any adjustment.

42. Expenditure on Corporate Social Responsibility Activities

(a) Gross amount required to be spent by the Company during the year: Rs. 35.21 Lacs

(b) Amount spent during the year : Rs. 35.26 Lacs

43. **DISCLOSURES RELATING TO SPECIFIED BANK NOTES (SBNs) HELD AND TRANSACTED DURING THE PERIOD FROM NOVEMBER 8, 2016 TO DECEMBER 30, 2016 :**

No SBN \* was held or transacted by the Company during the period November 08, 2016 to December 30, 2016.

\* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees 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 November 8, 2016.

44. Previous year figures have been regrouped and reclassified to conform to this year's classification.

**For Price Waterhouse & Co Bangalore LLP**

Firm Registration No.: 007567S/S-200012

Chartered Accountants

For and on behalf of Board of directors

**Ashraf M. A. Elarman**  
Managing Director

**Rajat Jain**  
Director

**Satpreet Singh Ahuja**  
Chief Financial Officer

**Rahul Chattopadhyay**

Partner

Membership Number: 096367

**Mohit Kumar**  
Finance Controller

**Rajiv L. Jha**  
Company Secretary &  
GM Legal

Gurgaon, India  
July 25, 2017

Gurgaon, India  
July 25, 2017

**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:** 5<sup>th</sup> Floor, Block One, Vatika Business Park, Sector-49, Sohna Road, Gurgaon-122018, Haryana

**Website:** [www.xerox.com/india](http://www.xerox.com/india); **Email:** [rajiv.jha@xerox.com](mailto:rajiv.jha@xerox.com)

**Tel:** +91 124 39400400; **Fax:** +91 124 3371225

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 21<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, 21<sup>st</sup> September 2017 at 12:00 Noon at King Arthur 2, Fortune Select Excalibur Hotel (Fortune Hotel), Sector 49, Sohna Road, Gurgaon - 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 <sup>st</sup> March 2017 including audited Balance Sheet as at 31 <sup>st</sup> March 2017 and the Statement of Profit and Loss for the year ended on that date along with the reports of the Board of Directors and Auditors thereon.		

2.	Appointment of a director in place of Mr. Rajat K. Jain (DIN 00046053), who retires by rotation, and being eligible, offers himself for re-appointment.		
3.	Ratification of the appointment of Price Waterhouse & Co Bangalore LLP as Statutory Auditors of the Company for the financial year 2017-18		
<b>Special Business</b>		<b>Assent</b>	<b>Dissent</b>
4.	Re-appointment of Mr. Ashraf M. A. Elarman (DIN 07206306) as the Managing Director of the Company w.e.f. 1 <sup>st</sup> July 2017 till 31 <sup>st</sup> December 2017 (both days inclusive)		
5.	Approval of the terms and conditions (including remuneration) of Mr. Ashraf M. A. Elarman on his re-appointment as the Managing Director of the Company for the period commencing from 1 <sup>st</sup> July 2017 till 31 <sup>st</sup> December 2017 (both days inclusive)		
6.	Appointment of Mr. Rodney Noonoo (DIN 07690361) as a Director of the Company, liable to retire by rotation		
7.	Appointment of Ms. Lisa Marie Oliver (DIN 07900714) as a Director of the Company, liable to retire by rotation		

Signed this ..... day of ....., 2017

Signature of Shareholder.....

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

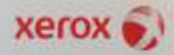
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**Note:**

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 21<sup>st</sup> 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.*

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# Xerox India Limited

Twentieth Annual General Meeting

Tuesday, 27<sup>th</sup> September 2016

(As adjourned on 20<sup>th</sup> September 2016)



Xerox Altalink\_C8035



Xerox Versalink C505



Xerox Altalink B8045



Xerox Versalink B615



Xerox Altalink B8065



Xerox Versalink C7000



Xerox Versalink B400



Xerox Versalink B7025

