

ECLERX SERVICES LIMITED (as standalone entity)

CIN : L72200MH2000PLC125319

Regd. Office : Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai - 400 023

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

(Rs. in lacs, except per share data)

Sr. No.	Particulars	Quarter Ended December 31, 2016 (Unaudited)	Quarter Ended September 30, 2016 (Unaudited)	Quarter Ended December 31, 2015 (Unaudited)	Nine Months Ended December 31, 2016 (Unaudited)	Nine Months Ended December 31, 2015 (Unaudited)
1	Income from operations					
	Net sales/Income from operations	28,478.17	29,148.03	29,024.01	87,461.97	80,703.98
	Total income from operations (net)	28,478.17	29,148.03	29,024.01	87,461.97	80,703.98
2	Expenses					
a)	Employees benefits expense	9,762.55	9,810.42	9,939.58	29,522.06	28,920.11
b)	Cost of technical sub-contractors	247.45	141.44	71.29	484.04	205.31
c)	Depreciation and amortisation expense	935.78	917.68	1,120.08	2,695.23	3,020.13
d)	Sales and Marketing Services	4,779.48	4,019.76	4,203.86	13,275.37	11,964.25
e)	Other expenditure	3,729.06	3,373.59	3,932.76	10,915.61	10,650.60
	Total expenses	19,454.32	18,262.89	19,267.57	56,892.31	54,760.40
3	Profit from operations before other income, finance costs and exceptional items	9,023.85	10,885.14	9,756.44	30,569.66	25,943.58
4	Other income	1,154.98	454.90	441.31	2,591.78	3,329.20
5	Profit from ordinary activities before finance costs and exceptional items	10,178.83	11,340.04	10,197.75	33,161.44	29,272.78
6	Finance costs	-	-	-	-	-
7	Profit from ordinary activities after finance costs but before exceptional items	10,178.83	11,340.04	10,197.75	33,161.44	29,272.78
8	Exceptional items (refer note 7)	-	792.88	-	792.88	2,591.38
9	Profit from ordinary activities before tax	10,178.83	10,547.16	10,197.75	32,368.56	26,681.40
10	Tax expense	1,671.31	1,884.23	2,170.99	6,052.91	6,732.90
11	Profit from ordinary activities after tax	8,507.52	8,662.93	8,026.76	26,315.65	19,948.50
12	Extraordinary items	-	-	-	-	-
13	Net profit for the period	8,507.52	8,662.93	8,026.76	26,315.65	19,948.50
14	Other Comprehensive income net of tax	(503.57)	1,433.23	442.54	853.40	(890.44)
15	Total comprehensive income for the period	8,003.95	10,096.16	8,469.30	27,169.05	19,058.06
16	Paid up equity share capital (Face value of Rs. 10 each)	3,971.24	4,088.24	4,072.24	3,971.24	4,072.24
17.i	Earnings per share (EPS) (before extraordinary items) (of Rs. 10 each) (Not annualised)					
	Basic	20.85	21.22	19.76	64.51	49.10
	Diluted	20.60	20.95	19.37	63.73	48.15
17.ii	Earnings per share (EPS) (after extraordinary items) (of Rs. 10 each) (Not annualised)					
	Basic	20.85	21.22	19.76	64.51	49.10
	Diluted	20.60	20.95	19.37	63.73	48.15

Other Information :

Particulars	Quarter Ended December 31, 2016 (Unaudited)	Quarter Ended September 30, 2016 (Unaudited)	Quarter Ended December 31, 2015 (Unaudited)	Nine Months Ended December 31, 2016 (Unaudited)	Nine Months Ended December 31, 2015 (Unaudited)
Details of other income					
Dividend income	424.27	373.26	109.62	1,088.92	317.97
Exchange difference (net)	414.98	(380.69)	220.83	406.70	2,624.80
Other income	315.73	462.33	110.86	1,096.16	386.43
Total	1,154.98	454.90	441.31	2,591.78	3,329.20

Notes :

- 1 The above financial results, which have been subjected to Limited Review by Statutory Auditors, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 8, 2017.
- 2 The Company adopted Indian Accounting Standard ('Ind AS') from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The transition was carried out from Accounting Standards as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, which was the previous GAAP. The date of transition to Ind AS is April 1, 2015. Financial results for all the periods presented have been prepared in accordance with Ind AS.
- 3 Reconciliation of unaudited standalone financial results as reported under previous GAAP to Ind AS is as under:

(Rs. in lacs)

Particulars	Quarter Ended December 31, 2015 (Unaudited)	Nine Months Ended December 31, 2015 (Unaudited)
Net profit for the period (as per previous GAAP)	8,043.16	19,880.84
Actuarial loss on Defined Benefit plans recognised in Other Comprehensive Income	134.57	356.02
Fair valuation on Employee Stock Options	(187.56)	(243.93)
Others	136.91	306.24
Net profit/(loss) for the period on account of merger (refer note 5)	(100.32)	(350.67)
Net profit for the period (as per Ind AS)	8,026.76	19,948.50
Other comprehensive income net of tax	442.54	(890.44)
Total comprehensive income for the period as per Ind AS	8,469.30	19,058.06

- 4 The Company operates under a single primary segment which is data management, analytics solutions and process outsourcing services. Further the risks and rewards under various geographies where the Company operates are similar in nature.
- 5 The Hon'ble High Court of Bombay vide its order dated July 1, 2016 has sanctioned the Scheme of Amalgamation of Agilyst Consulting Private Limited with the Company with an appointed date of April 1, 2015. The Scheme has become effective on August 22, 2016, pursuant to its filing with Register of Companies. The Scheme has been given effect to in the books of accounts of the Company with effect from April 1, 2015. The Standalone financial results of the quarter and nine months ended December 31, 2015 have been restated accordingly.
- 6 The Board of Directors vide their meeting dated August 29, 2016 approved, subject to shareholders' approval, buyback of equity shares of the Company. The shareholders approval was procured vide postal ballot results of which were announced on October 14, 2016. The Company during the quarter concluded the said buyback of 1,170,000 Equity Shares of Rs 10 each, at a buyback price of Rs 2,000 per share and total buyback amount of Rs 23,400 lacs. The settlement date for the said buyback was December 19, 2016. The shares so bought back were extinguished and the issued and paid-up capital stands amended accordingly.
- 7 The Company, through its subsidiary eClerx Investments Limited, acquired Agilyst, Inc. in May 2012. The Company had reviewed the carrying value of investments in these subsidiaries and made a provision for diminution in value of Rs 2,591.38 lacs in the quarter ended September 30, 2015. Further the merger as described in note 5 above resulted in tax liability of Rs. 792.88 lacs in Agilyst, Inc. resulting in further impairment in carrying value of investments in subsidiaries in the quarter ended September 30, 2016.
- 8 The Board of Directors vide their meeting dated August 29, 2016, have given their consent for merger of Agilyst, Inc., a step down subsidiary of the Company with eClerx LLC, wholly owned subsidiary of the Company. The merger has been approved by the respective state authorities of Agilyst, Inc. and eClerx LLC. The merger will be effective from January 1, 2017. The merger aims at administrative convenience and maintaining a lean corporate structure.

For and on behalf of Board of Directors

Place: Mumbai
Date: February 8, 2017

V. K. Mundhra
Chairman