

**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors of eClerx Services Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of eClerx Services Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018 as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of entities as mentioned in Annexure A to this Report.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

6. The accompanying Statement includes unaudited interim financial information/financial results and other unaudited financial information in respect of four subsidiaries, whose interim financial information/financial results reflect Group's share of total assets of Rs. 2,612.08 million as on September 30, 2019, and Group's share of total revenues of Rs. 416.26 million and Rs. 831.56 million, and Group's share of total net profit after tax and total comprehensive income of Rs. 55.09 million and Rs. 66.50 million, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash inflows of Rs. 31.73 million for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their independent auditors. The independent auditor's reports on interim financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of above matter.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

*Amit Majmudar*

per Amit Majmudar

Partner

Membership No.: 36656



UDIN: 19036656AAAACR1727

Mumbai

November 7, 2019

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**Annexure to the Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Sr. No.	Name of subsidiaries
1	eClerx LLC
2	eClerx Limited
3	eClerx Private Limited
4	eClerx Investments (UK) Limited
5	eClerx Canada Limited
6	CLX Europe S.P.A
7	CLX Europe Media Solution GmbH
8	CLX Europe Media Solution Limited
9	CLX Thai Company Limited
10	eClerx Employee Welfare Trust





**ECLERX SERVICES LIMITED**  
CIN : L72200MH2000PLC125319

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

**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	3,564.69	3,547.21	3,559.01	7,111.90	7,078.43	14,305.93
II	Other income	86.03	95.98	191.94	182.01	390.13	485.92
III	<b>Total Income (I + II)</b>	<b>3,650.72</b>	<b>3,643.19</b>	<b>3,750.95</b>	<b>7,293.91</b>	<b>7,468.56</b>	<b>14,791.85</b>
IV	<b>Expenses</b>						
	Employee benefits expense	2,131.84	2,194.94	1,933.14	4,326.78	3,886.62	7,868.94
	Depreciation and amortisation expense	176.51	171.67	102.77	348.18	196.24	446.92
	Cost of technical sub-contractors	135.56	140.39	185.91	275.95	353.37	714.12
	Other expenses	516.49	563.92	607.96	1,080.41	1,236.63	2,646.74
	Finance cost	47.46	43.23	0.06	90.69	0.14	0.39
	<b>Total expenses (IV)</b>	<b>3,007.86</b>	<b>3,114.15</b>	<b>2,829.84</b>	<b>6,122.01</b>	<b>5,673.00</b>	<b>11,677.11</b>
V	Profit before exceptional items and tax (III-IV)	642.86	529.04	921.11	1,171.90	1,795.56	3,114.74
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit before tax</b>	<b>642.86</b>	<b>529.04</b>	<b>921.11</b>	<b>1,171.90</b>	<b>1,795.56</b>	<b>3,114.74</b>
VIII	Tax expense (refer note 6)	205.76	131.01	220.82	336.77	494.78	831.73
	(1) Current tax	164.29	165.51	252.61	329.80	540.02	911.61
	(2) Deferred tax	41.47	(34.50)	(31.79)	6.97	(45.24)	(79.88)
IX	<b>Profit for the period (VII-VIII)</b>	<b>437.10</b>	<b>398.03</b>	<b>700.29</b>	<b>835.13</b>	<b>1,300.78</b>	<b>2,283.01</b>
	<b>Attributable to:</b>						
	Shareholders of the Company	438.93	398.11	699.50	837.04	1,301.20	2,282.63
	Non controlling interest	(1.83)	(0.08)	0.79	(1.91)	(0.42)	0.38
X	<b>Profit for the period (IX)</b>	<b>437.10</b>	<b>398.03</b>	<b>700.29</b>	<b>835.13</b>	<b>1,300.78</b>	<b>2,283.01</b>
XI	Other Comprehensive Income / (Loss) ('OCI')	(125.44)	20.89	(131.84)	(104.55)	(412.18)	(61.73)
	A (i) Items that will not be reclassified to profit or loss	(5.21)	(30.74)	3.41	(35.95)	13.31	(12.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.14)	9.10	(0.99)	8.96	(3.74)	3.50
	B (i) Items that will be reclassified to profit or loss (net)	(162.34)	56.70	(252.94)	(105.64)	(658.70)	(64.17)
	(ii) Income tax relating to items that will be reclassified to profit or loss	42.25	(14.17)	118.68	28.08	236.95	11.27
XII	<b>Total Comprehensive Income for the period (X+XI) (Comprising Profit and Other Comprehensive Income for the period)</b>	<b>311.66</b>	<b>418.92</b>	<b>568.45</b>	<b>730.58</b>	<b>888.60</b>	<b>2,221.28</b>
	<b>Attributable to:</b>						
	Shareholders of the Company	313.49	419.00	567.66	732.49	889.02	2,220.90
	Non controlling interest	(1.83)	(0.08)	0.79	(1.91)	(0.42)	0.38
XIII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	361.00	361.00	379.80	361.00	379.80	377.90
XIV	Other equity						13,440.93
XV	Earnings per share: (in Rs.)						
	(1) Basic	12.16	10.56	18.38	22.69	34.15	60.07
	(2) Diluted	12.16	10.56	18.35	22.66	34.08	59.98

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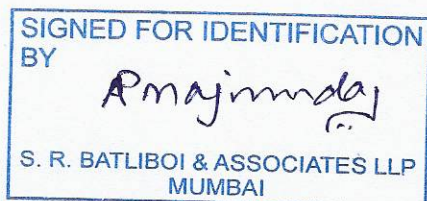
**Notes :**

- 1 The statement of unaudited financial results for the quarter and half year ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 7, 2019. There are no qualifications in the limited review report issued by the auditors.
- 2 These consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- 3 The Group operates under a single reportable segment which is data management, analytics solutions and process outsourcing services. Further the risks and rewards under various geographies where the Group operates are similar in nature.
- 4 The Board of Directors vide their meeting dated March 14, 2019 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 April 26, 2019. The Company concluded the said buyback of 1,746,666 equity shares of Rs 10 each, at a buyback price of Rs. 1,500 per share and total buyback amount of Rs.2,620 million. The settlement date for the said buyback was June 24, 2019. The shares so bought back were extinguished and the issued and paid-up capital stands amended accordingly.
- 5 Effective April 1, 2019, the Group adopted Ind AS 116 'Leases', applied to all lease contracts existing as on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to opening retained earnings as on April 1, 2019, i.e on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of new standard resulted in recognition of Right – of – Use asset (ROU) of Rs. 1,223.06 million and a lease liability of Rs. 1,452.54 million. The cumulative effect of applying the standard resulted in Rs. 54.84 million being debited to opening retained earnings, net of taxes. In the statement of profit and loss for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the ROU asset and finance cost for interest accrued on lease liability. The following table summarises the impact of Ind AS 116 on financial results.

(Rupees in Millions)

Particulars	Quarter ended September 30, 2019	Half year ended September 30, 2019
Ind AS 116 - Depreciation is higher by	76.52	150.38
Ind AS 116 - Finance cost is higher by	47.37	90.48
	<b>123.89</b>	<b>240.86</b>
Ind AS 17 - Rent Expense is lower by	(116.15)	(229.67)
<b>Profit before tax is lower by</b>	<b>7.74</b>	<b>11.19</b>

- 6 During the quarter ended September 30, 2019, the Company has accounted the tax expense as per the rates prescribed under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly the deferred tax assets (net) as at March 31, 2019 and the estimate of tax expenses for the year ended March 31, 2020 have been re-computed. The resultant impact is recognised in the quarter ended September 30, 2019 and as a result the tax expense for the quarter & half year ended September 30, 2019 is higher by Rs 38.62 million.



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(Rupees in Millions)

Particulars	As at September 30, 2019	As at March 31, 2019
	Unaudited	Audited
<b>A. ASSETS</b>		
<b>1. Non current assets</b>		
Property, plant and equipment	788.36	828.63
Right of use assets	1,295.66	-
Capital work in progress	-	1.65
Goodwill on consolidation	2,172.52	2,182.27
Other intangible assets	438.81	468.24
Financial assets		
Investments	2.40	2.40
Derivative instruments	2.35	94.40
Other financial assets	154.44	195.28
Deferred tax assets (net)	263.10	202.72
Other non - current assets	330.62	265.47
Non-current tax assets (net)	74.12	91.00
	<b>5,522.38</b>	<b>4,332.06</b>
<b>2. Current assets</b>		
Inventories	3.80	3.59
Financial assets		
Investments	2,877.59	2,860.24
Trade receivables	2,086.63	2,425.89
Cash and cash equivalents	1,558.29	1,256.24
Other Bank Balances	1,843.44	3,259.22
Other financial assets	1,103.97	1,109.78
Derivative instruments	112.85	112.93
Other current assets	393.68	610.01
Current tax assets (net)	-	1.96
	<b>9,980.25</b>	<b>11,639.86</b>
<b>TOTAL - ASSETS</b>	<b>15,502.63</b>	<b>15,971.92</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
Equity Share capital	361.00	377.90
Other Equity	11,503.19	13,435.08
<b>Total Equity attributable to shareholders of the Company</b>	<b>11,864.19</b>	<b>13,812.98</b>
Non-controlling interests	3.92	5.85
<b>Total Equity</b>	<b>11,868.11</b>	<b>13,818.83</b>
<b>2. Non current liabilities</b>		
Financial liabilities		
Lease liabilities	1,130.48	-
Borrowings	6.26	8.11
Deferred tax liabilities (net)	125.31	132.09
Employee benefit obligations	416.35	405.89
Other non - current liabilities	-	127.88
	<b>1,678.40</b>	<b>673.97</b>
<b>3. Current liabilities</b>		
Financial liabilities		
Lease liabilities	413.45	-
Borrowings	6.10	8.63
Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	0.69	3.37
Total outstanding dues of creditors other than Micro enterprises and small enterprises	86.85	112.69
Other current financial liabilities	586.54	443.04
Other current liabilities	113.74	161.98
Employee benefit obligations	596.00	703.13
Current tax liabilities (net)	152.75	46.28
	<b>1,956.12</b>	<b>1,479.12</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>15,502.63</b>	<b>15,971.92</b>

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## 8 Statement of Cash flow

(Rupees in Millions)

	Half year ended		Year ended
	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Audited
<b>Operating activities</b>			
Profit before tax	1,171.90	1,795.56	3,114.74
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	306.61	142.38	341.78
Amortisation and impairment of intangible assets	41.57	53.86	105.14
Share-based payment expense	(4.18)	17.91	35.40
Net foreign exchange differences - Trade receivables	(18.61)	(25.21)	46.79
Net foreign exchange differences - Trade payables	1.65	4.75	(3.38)
(Gain) / Loss on sale of assets	12.88	(0.19)	(0.22)
Interest income on corporate rent deposits	(5.16)	(5.82)	(12.54)
Amortised cost on corporate rent deposits	4.95	5.27	11.43
(Profit) on sale of current investments	(0.90)	(13.90)	(14.49)
Dividend income	(63.83)	(54.84)	(97.48)
Interest income	(79.07)	(86.15)	(244.81)
Other adjustments	(35.95)	(13.31)	(12.33)
Bad debts written off	-	3.80	5.23
Finance cost	90.69	0.14	0.39
Provision for doubtful debts	7.34	-	3.20
Fair value loss / (gain) on financial instruments at fair value through profit or loss	(16.24)	12.53	15.83
	<b>1,413.65</b>	<b>1,836.78</b>	<b>3,294.68</b>
<b>Working capital adjustments:</b>			
(Decrease) / Increase in employee benefit obligations	(96.67)	(238.36)	(12.79)
Decrease / (Increase) in trade receivables	350.52	(114.81)	(152.64)
(Increase) / Decrease in inventories	(0.21)	0.38	0.79
Decrease / (Increase) in other current and non current assets	148.80	7.57	(223.02)
Decrease / (Increase) in other current and non current financial assets	47.00	35.19	113.63
Increase / (Decrease) in trade payables, other current and non current liabilities and provisions	86.03	(139.11)	(26.03)
<b>Cash generated by operating activities</b>	<b>1,949.12</b>	<b>1,387.64</b>	<b>2,994.62</b>
Payment of domestic and foreign taxes (net of refunds)	(190.83)	(421.29)	(933.07)
<b>Net cash flows generated from operating activities</b>	<b>1,758.29</b>	<b>966.35</b>	<b>2,061.55</b>
<b>Investing activities</b>			
Proceeds from sale of current investments	6,866.66	5,682.90	12,419.80
Purchase of current investments	(6,866.87)	(7,106.60)	(13,629.53)
Investment in bank deposits (having original maturity of more than three months)	(1,070.63)	(2,320.93)	(4,941.07)
Redemption / maturity of bank deposits (having original maturity of more than three months)	2,420.23	2,325.64	4,079.71
Payment of unclaimed dividend and fractional share	-	(0.04)	(0.24)
Proceeds from sale of property, plant and equipment	7.45	0.51	1.12
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(132.71)	(138.70)	(521.26)
Dividend received	63.83	54.84	97.48
Interest received	144.89	101.82	185.69
<b>Net cash flows generated from / (used in) investing activities</b>	<b>1,432.85</b>	<b>(1,400.56)</b>	<b>(2,308.30)</b>
<b>Financing activities</b>			
Proceeds from issue of equity share capital	6.32	36.61	50.84
Proceeds from equity issue pending allotment	-	-	2.41
Purchase of treasury shares by eClerx Employee Welfare Trust	-	(262.88)	(498.93)
Buyback of equity shares	(2,564.21)	-	-
Buy back expenses	(25.42)	-	-
Payment of dividend	(36.10)	(37.99)	(37.99)
Dividend distribution tax	(7.60)	(7.95)	(7.95)
Bank loan (repaid) / taken	(4.38)	(35.32)	(46.70)
Interest paid	(90.48)	(0.14)	(0.39)
Principal payment - Lease	(137.98)	-	-
<b>Net cash flows generated from / (used in) financing activities</b>	<b>(2,859.85)</b>	<b>(307.67)</b>	<b>(538.71)</b>
Effect of exchange fluctuation on cash and cash equivalents	(29.24)	185.98	11.41
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>302.05</b>	<b>(555.90)</b>	<b>(774.05)</b>
Cash and cash equivalents at the beginning of the year	1,256.24	2,030.29	2,030.29
<b>Cash and cash equivalents</b>	<b>1,558.29</b>	<b>1,474.39</b>	<b>1,256.24</b>

9 The standalone financial results of the Company would be available for perusal on the Company's website viz [www.eclerx.com](http://www.eclerx.com). Key standalone financial information is given below.

(Rupees in Millions)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from operations	2,758.91	2,776.72	2,848.53	5,535.63	5,667.27	11,398.18
Profit before tax	87.33	442.39	810.51	529.72	1,571.60	2,843.64
Profit after tax	(80.30)	338.27	618.66	257.97	1,140.44	2,096.13

For and on behalf of Board of Directors

Place: Mumbai  
Date: November 7, 2019

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BY  
*A Majumdar*  
S. R. BATLIBOI & ASSOCIATES LLP  
MUMBAI



Anjan Malik  
Director