

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 December 31, 2019 and year to date from April 1, 2019 to December 31, 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").
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 the 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 of four subsidiaries, whose interim financial information/ financial results reflect Group's share of total revenues of Rs. 474.77 million and Rs. 1,306.33 million and Group's share of total net profit after tax and total comprehensive income of Rs. 58.77 million and Rs. 125.27 million, for the quarter ended December 31, 2019 and for the period from April 1, 2019 to December 31, 2019, respectively, 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 the above matter.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Amit Majmudar

Partner

Membership No.: 36656



UDIN: 20036656AAAAAG4266

Mumbai

January 30, 2020

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 |



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rupees in Millions, except per share data)

| Sr. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|--|-------------------|--------------------|-------------------|-------------------|-------------------|------------------|
| | | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| I | Revenue from operations | 3,754.50 | 3,564.69 | 3,576.31 | 10,866.40 | 10,654.74 | 14,305.93 |
| II | Other income | 117.47 | 86.03 | 0.19 | 299.48 | 390.32 | 485.92 |
| III | Total Income (I + II) | 3,871.97 | 3,650.72 | 3,576.50 | 11,165.88 | 11,045.06 | 14,791.85 |
| IV | Expenses | | | | | | |
| | Employee benefits expense | 2,091.50 | 2,131.84 | 2,008.20 | 6,418.28 | 5,894.82 | 7,868.94 |
| | Depreciation and amortisation expense | 175.81 | 176.51 | 123.12 | 523.99 | 319.36 | 446.92 |
| | Cost of technical sub-contractors | 157.62 | 135.56 | 192.80 | 433.57 | 546.17 | 714.12 |
| | Other expenses | 476.23 | 516.49 | 708.53 | 1,556.64 | 1,945.16 | 2,646.74 |
| | Finance cost | 48.19 | 47.46 | 0.11 | 138.88 | 0.25 | 0.39 |
| | Total expenses (IV) | 2,949.35 | 3,007.86 | 3,032.76 | 9,071.36 | 8,705.76 | 11,677.11 |
| V | Profit before exceptional items and tax (III-IV) | 922.62 | 642.86 | 543.74 | 2,094.52 | 2,339.30 | 3,114.74 |
| VI | Exceptional items | - | - | - | - | - | - |
| VII | Profit before tax | 922.62 | 642.86 | 543.74 | 2,094.52 | 2,339.30 | 3,114.74 |
| VIII | Tax expense (refer note 6) | 221.82 | 205.76 | 154.17 | 558.59 | 648.95 | 831.73 |
| | (1) Current tax | 232.28 | 164.29 | 179.00 | 562.08 | 719.02 | 911.61 |
| | (2) Deferred tax | (10.46) | 41.47 | (24.83) | (3.49) | (70.07) | (79.88) |
| IX | Profit for the period (VII-VIII) | 700.80 | 437.10 | 389.57 | 1,535.93 | 1,690.35 | 2,283.01 |
| | Attributable to: | | | | | | |
| | Shareholders of the Company | 698.83 | 438.93 | 389.57 | 1,535.87 | 1,690.77 | 2,282.63 |
| | Non controlling interest | 1.97 | (1.83) | - | 0.06 | (0.42) | 0.38 |
| X | Profit for the period (IX) | 700.80 | 437.10 | 389.57 | 1,535.93 | 1,690.35 | 2,283.01 |
| XI | Other Comprehensive Income / (Loss) ('OCI') | 108.94 | (125.44) | 230.59 | 4.39 | (181.59) | (61.73) |
| | A (i) Items that will not be reclassified to profit or loss | 0.19 | (5.21) | (26.29) | (35.76) | (12.98) | (12.33) |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | (0.04) | (0.14) | 7.49 | 8.92 | 3.75 | 3.50 |
| | B (i) Items that will be reclassified to profit or loss (net) | 107.85 | (162.34) | 410.58 | 2.21 | (248.12) | (64.17) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 0.94 | 42.25 | (161.19) | 29.02 | 75.76 | 11.27 |
| XII | Total Comprehensive Income for the period (X+XI)(Comprising Profit and Other Comprehensive Income for the period) | 809.74 | 311.66 | 620.16 | 1,540.32 | 1,508.76 | 2,221.28 |
| | Attributable to: | | | | | | |
| | Shareholders of the Company | 807.77 | 313.49 | 620.16 | 1,540.26 | 1,509.18 | 2,220.90 |
| | Non controlling interest | 1.97 | (1.83) | - | 0.06 | (0.42) | 0.38 |
| XIII | Paid up equity share capital (Face value of Rs. 10 each, fully paid up) | 361.00 | 361.00 | 378.59 | 361.00 | 378.59 | 377.90 |
| XIV | Other equity | | | | | | 13,440.93 |
| XV | Earnings per share: (in Rs.) | | | | | | |
| | (1) Basic | 19.36 | 12.16 | 10.27 | 41.94 | 44.44 | 60.07 |
| | (2) Diluted | 19.36 | 12.16 | 10.25 | 41.91 | 44.36 | 59.98 |

SIGNED FOR IDENTIFICATION
 BY *Ajaymudra*
S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI



Notes :

- 1 The statement of unaudited financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 30, 2020. 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)

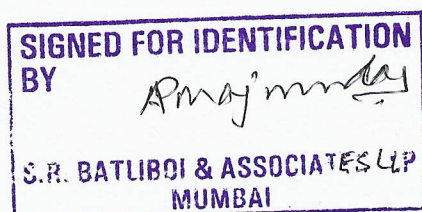
| Particulars | Quarter ended December 31, 2019 | Nine months ended December 31, 2019 |
|--|---------------------------------------|---|
| Ind AS 116 - Depreciation is higher by | 77.37 | 227.75 |
| Ind AS 116 - Finance cost is higher by | 48.40 | 138.88 |
| | 125.77 | 366.63 |
| Ind AS 17 - Rent Expense is lower by | (117.11) | (346.78) |
| Profit before tax is lower by | 8.66 | 19.85 |

- 6 During the quarter ended September 30, 2019, the Company 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.
- 7 The standalone financial results of the Company would be available for perusal on the Company's website viz www.eclerx.com. Key standalone financial

(Rupees in Millions)

| Particulars | Quarter ended | | | Nine months ended | | Year ended |
|-------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-------------------|
| | December 31, 2019 | September 30, 2019 | December 31, 2018 | December 31, 2019 | December 31, 2018 | March 31, 2019 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| Revenue from operations | 2,883.65 | 2,758.91 | 2,803.88 | 8,419.28 | 8,471.15 | 11,398.18 |
| Profit before tax | 717.69 | 87.33 | 535.86 | 1,247.41 | 2,107.46 | 2,843.64 |
| Profit after tax | 540.44 | (80.30) | 391.31 | 798.41 | 1,531.75 | 2,096.13 |

Place: Mumbai
Date: January 30, 2020



For and on behalf of Board of Directors

PD Mundhra

PD Mundhra
Executive Director