

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

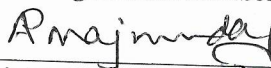
**Review Report to
The Board of Directors of eClerx Services Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of eClerx Services Limited (the "Company") 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 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 Company's Management and approved by the 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the 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.

For S. R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Amit Majmudar

Partner

Membership No.: 36656

UDIN: 20036656AAAAAF2726

Mumbai

January 30, 2020



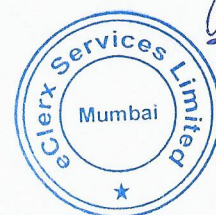
ECLERX SERVICES LIMITED
CIN: L72200MH2000PLC125319

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, 2019

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	2,883.65	2,758.91	2,803.88	8,419.28	8,471.15	11,398.18
II	Other income	123.47	102.67	3.95	341.74	434.88	558.25
III	Total Income (I + II)	3,007.12	2,861.58	2,807.83	8,761.02	8,906.03	11,956.43
IV	Expenses						
	Employee benefits expense	1,174.95	1,214.36	1,159.90	3,629.28	3,478.27	4,614.07
	Depreciation and amortisation expense	110.03	112.37	72.84	332.23	182.75	261.55
	Cost of technical sub-contractors	67.27	32.16	27.67	144.96	76.03	112.24
	Sales and marketing services	596.37	613.66	542.31	1,863.53	1,774.03	2,391.88
	Other expense	295.48	312.13	469.25	968.61	1,287.49	1,733.05
	Finance cost	45.33	44.63	-	130.06	-	-
	Total expenses (IV)	2,289.43	2,329.31	2,271.97	7,068.67	6,798.57	9,112.79
V	Profit before exceptional items and tax (III-IV)	717.69	532.27	535.86	1,692.35	2,107.46	2,843.64
VI	Exceptional items - Loss (refer note 6)	-	444.94	-	444.94	-	-
VII	Profit before tax (V-VI)	717.69	87.33	535.86	1,247.41	2,107.46	2,843.64
VIII	Tax expense (refer note 7)	177.25	167.63	144.55	449.00	575.71	747.51
	(1) Current tax	184.85	121.00	163.52	434.45	630.33	810.09
	(2) Deferred tax	(7.60)	46.63	(18.97)	14.55	(54.62)	(62.58)
IX	Profit / (loss) for the period (VII-VIII)	540.44	(80.30)	391.31	798.41	1,531.75	2,096.13
X	Other Comprehensive Income / (Loss) ('OCI')	(2.61)	(116.37)	403.77	(93.66)	(207.67)	(39.47)
	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)	(3.70)	(153.27)	583.76	(95.84)	(274.20)	(41.91)
	(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
XI	Total Comprehensive Income for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)	537.83	(196.67)	795.08	704.75	1,324.08	2,056.66
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	369.83	369.83	386.94	369.83	386.94	387.11
XIII	Other equity						12,664.92
XIV	Earnings per share: (in Rs.)						
	(1) Basic	14.61	(2.17)	10.11	21.28	39.61	54.19
	(2) Diluted	14.61	(2.17)	10.10	21.27	39.54	54.11

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



Notes :

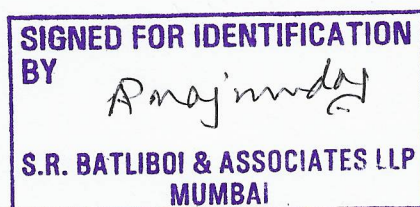
- 1 The statement of unaudited financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 30, 2020. There are no qualifications in the limited review report issued by the auditors.
- 2 These 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, as amended read with the relevant rules issued thereunder.
- 3 The Company 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 Company 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 Company 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.884.30 million and a lease liability of Rs.1,091.65 million. The cumulative effect of applying the standard resulted in Rs.48.34 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	52.51	154.42
Ind AS 116 - Finance cost is higher by	45.33	130.06
	97.84	284.48
Ind AS 17 - Rent Expense is lower by	(89.84)	(265.99)
Profit before tax is lower by	8.00	18.49

- 6 The Company has appointed Eclerx Employee Welfare Trust (ESOP Trust) to administer the employee stock option scheme. For this purpose, the ESOP Trust borrowed funds from the Company and purchased the Company's shares from the open market since financial year 2016-17 for the purpose of allotting the same to eligible employees. Due to significant difference in the purchase price of these shares and exercise price of the share options, the Company foresees the inability of the ESOP Trust to service its loan obligations. Hence, the Company made a provision of Rs 444.94 million in the results for the quarter ended September 30, 2019.
- 7 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.

Place: Mumbai
Date: January 30, 2020



For and on behalf of Board of Directors

PD Mundhra
PD Mundhra
Executive Director