

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

To  
**Board of Directors of eClerx Services Limited**

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of eClerx Services Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and financial information of the subsidiaries, the Statement:

- i. includes the results of the entities mentioned in the Annexure to this report;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive loss and other financial information of the Group for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Consolidated Financial Results**

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and



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application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial



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information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Other Matter**

The accompanying Statement includes the audited financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs 2,843.63 million as at March 31, 2020, total revenues of Rs 393.22 million and Rs 1,699.55 million, total net profit after tax of Rs. 6.15 million and Rs. 131.36 million, total comprehensive loss of Rs. 11.03 million and Rs. 22.28 million, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 49.73 million for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors. The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above. Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

**AMIT P MAJMUDAR**  
Digitally signed by AMIT P MAJMUDAR  
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**per Amit Majmudar**  
Partner  
Membership No.: 36656  
UDIN: 20036656AAAAAP6169

Mumbai  
June 09, 2020



**eClerx Services Limited**  
**Independent auditor's report**

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

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

**STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020**

Sr. No.	Particulars	(Rupees in Millions, except per share data)				
		Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited*	Unaudited	Audited*	Audited	Audited
I	Revenue from operations	3,509.31	3,754.50	3,651.19	14,375.71	14,305.93
II	Other income	167.57	117.47	95.60	467.05	485.92
III	<b>Total Income (I + II)</b>	<b>3,676.88</b>	<b>3,871.97</b>	<b>3,746.79</b>	<b>14,842.76</b>	<b>14,791.85</b>
IV	<b>Expenses</b>					
	Employee benefits expense	2,124.34	2,091.50	1,974.12	8,542.62	7,868.94
	Depreciation and amortisation expense	184.96	175.81	127.56	708.95	446.92
	Cost of technical sub-contractors	120.87	157.62	167.95	554.44	714.12
	Other expenses	486.82	476.23	701.58	2,043.46	2,646.74
	Finance cost	49.22	48.19	0.14	188.10	0.39
	<b>Total expenses (IV)</b>	<b>2,966.21</b>	<b>2,949.35</b>	<b>2,971.35</b>	<b>12,037.57</b>	<b>11,677.11</b>
V	Profit before exceptional items and tax (III-IV)	710.67	922.62	775.44	2,805.19	3,114.74
VI	Exceptional items	-	-	-	-	-
VII	<b>Profit before tax</b>	<b>710.67</b>	<b>922.62</b>	<b>775.44</b>	<b>2,805.19</b>	<b>3,114.74</b>
VIII	Tax expense (refer note 8)	156.88	221.82	182.78	715.47	831.73
	(1) Current tax	161.12	232.28	192.59	723.20	911.61
	(2) Deferred tax	(4.24)	(10.46)	(9.81)	(7.73)	(79.88)
IX	<b>Profit for the period (VII-VIII)</b>	<b>553.79</b>	<b>700.80</b>	<b>592.66</b>	<b>2,089.72</b>	<b>2,283.01</b>
	<b>Attributable to:</b>					
	Shareholders of the Company	553.96	698.83	591.86	2,089.83	2,282.63
	Non controlling interest	(0.17)	1.97	0.80	(0.11)	0.38
X	<b>Profit for the period (IX)</b>	<b>553.79</b>	<b>700.80</b>	<b>592.66</b>	<b>2,089.72</b>	<b>2,283.01</b>
XI	Other Comprehensive Income / (Loss) ('OCI')	(185.26)	108.94	119.86	(180.87)	(61.73)
	A (i) Items that will not be reclassified to profit or loss	18.28	0.19	0.65	(17.48)	(12.33)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.81)	(0.04)	(0.25)	4.11	3.50
	B (i) Items that will be reclassified to profit or loss (net)	(313.14)	107.85	183.95	(310.93)	(64.17)
	(ii) Income tax relating to items that will be reclassified to profit or loss	114.41	0.94	(64.49)	143.43	11.27
XII	<b>Total Comprehensive Income for the period (X+XI)</b> <b>(Comprising Profit and Other Comprehensive Income for the period)</b>	<b>368.53</b>	<b>809.74</b>	<b>712.52</b>	<b>1,908.85</b>	<b>2,221.28</b>
	<b>Attributable to:</b>					
	Shareholders of the Company	368.70	807.77	711.72	1,908.96	2,220.90
	Non controlling interest	(0.17)	1.97	0.80	(0.11)	0.38
XIII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	361.00	361.00	377.90	361.00	377.90
XIV	Other equity					
XV	Earnings per share: (in Rs.)				12,707.26	13,440.93
	(1) Basic	15.35	19.36	15.64	57.26	60.07
	(2) Diluted	15.35	19.36	15.62	57.25	59.98

\*Refer note 3





**Notes :**

- 1 The statement of audited financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on June 09, 2020. There are no qualifications in the audit report issued by the auditors.
- 2 These consolidated financial results have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- 3 The figures for the three month period ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 respectively and unaudited published year- to-date figures up to December 31, 2019 and December 31, 2018 respectively, being the end of the third quarter of the respective financial years, which were subject to limited review.
- 4 The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenue, goodwill and intangible assets. In assessing the recoverability of these assets, the Group has used internal and external sources of information up to the date of approval of these consolidated financial results and based on current estimates expects the net carrying amount of these assets will be recovered. In the near term, the Group foresees demand for services to be affected with some delay in collection of client dues and is also likely to incur additional costs on account of "work from home" enablement. Consequently, the Group expects some decline in its revenue and margins. The Group will continue to monitor any material impact due to changes in future economic conditions.
- 5 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.
- 6 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.
- 7 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 March 31, 2020	Year ended March 31, 2020
Ind AS 116 - Depreciation is higher by	77.57	305.32
Ind AS 116 - Finance cost is higher by	49.22	188.10
	<b>126.79</b>	<b>493.42</b>
Ind AS 17 - Rent Expense is lower by	(119.06)	(465.84)
<b>Profit before tax is lower by</b>	<b>7.73</b>	<b>27.58</b>

- 8 During the current period ended March 31, 2020, 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 have been re-computed.
- 9 The Board of Directors have recommended a dividend of Re. 1 per Equity Share of Rs. 10 each for the financial year 2019-20





## 10 Statement of assets and liabilities

(Rupees in Millions)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	Audited	Audited
<b>A. ASSETS</b>		
<b>1. Non current assets</b>		
Property, plant and equipment	778.26	828.63
Right of use assets	1,281.47	-
Capital work in progress	7.99	1.65
Goodwill on consolidation	2,272.10	2,182.27
Other intangible assets	465.61	468.24
Financial assets		
Investments	2.40	2.40
Derivative instruments	-	94.40
Other financial assets	125.14	195.28
Deferred tax assets (net)	384.25	202.72
Other non - current assets	191.88	303.54
Non-current tax assets (net)	103.41	91.00
	<b>5,612.51</b>	<b>4,370.13</b>
<b>2. Current assets</b>		
Inventories	3.04	3.59
Financial assets		
Investments	4,365.52	2,860.24
Trade receivables	2,377.84	2,425.89
Cash and cash equivalents	1,745.61	1,256.24
Other bank balances	1,599.38	3,259.22
Other financial assets	1,124.19	1,109.78
Derivative instruments	-	112.93
Other current assets	531.46	571.94
Current tax assets (net)	-	1.96
	<b>11,747.04</b>	<b>11,601.79</b>
<b>TOTAL - ASSETS</b>	<b>17,359.55</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	12,701.14	13,435.08
<b>Total Equity attributable to shareholders of the Company</b>	<b>13,062.14</b>	<b>13,812.98</b>
Non-controlling interests	6.12	5.85
<b>Total Equity</b>	<b>13,068.26</b>	<b>13,818.83</b>
<b>2. Non current liabilities</b>		
Financial liabilities		
Lease liabilities	1,316.50	-
Derivative instruments	96.63	-
Borrowings	3.15	8.11
Deferred tax liabilities (net)	129.35	132.09
Employee benefit obligations	443.08	405.89
Other non - current liabilities	-	127.88
	<b>1,988.71</b>	<b>673.97</b>
<b>3. Current liabilities</b>		
Financial liabilities		
Lease liabilities	240.84	-
Derivative instruments	244.38	-
Borrowings	5.53	8.63
Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	3.16	3.37
Total outstanding dues of creditors other than Micro enterprises and small enterprises	135.48	112.69
Other financial liabilities	444.19	443.04
Other current liabilities	153.14	161.98
Employee benefit obligations	879.27	703.13
Current tax liabilities (net)	196.59	46.28
	<b>2,302.58</b>	<b>1,479.12</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>17,359.55</b>	<b>15,971.92</b>





## 11 Statement of Cash flow

(Rupees in Millions)

	Year ended	
	March 31, 2020	March 31, 2019
	Audited	Audited
<b>Operating activities</b>		
Profit before tax	2,805.19	3,114.74
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	621.55	341.78
Amortisation and impairment of intangible assets	87.40	105.14
Share-based payment expense	9.28	35.40
Net foreign exchange differences	36.27	43.41
Loss / (Gain) on sale of assets	12.93	(0.22)
Interest income on corporate rent deposits	(11.44)	(12.54)
Amortised cost on corporate rent deposits	11.84	11.43
(Profit) on sale of current investments	(13.32)	(14.49)
Dividend income	(66.66)	(97.48)
Interest income	(132.16)	(244.81)
Other adjustments	(17.48)	(12.33)
Bad debts written off	11.70	5.23
Finance cost	188.10	0.39
Provision for doubtful debts	9.12	3.20
Fair value (gain) / loss on financial instruments at fair value through profit or loss	(121.20)	15.83
	<b>3,431.12</b>	<b>3,294.68</b>
<b>Working capital adjustments:</b>		
Increase / (Decrease) in employee benefit obligations	213.33	(12.79)
Decrease / (Increase) in trade receivables	98.36	(152.64)
Decrease in inventories	0.56	0.79
Decrease in other current and non current financial assets	26.45	113.63
Decrease / (Increase) in other current and non current assets	150.60	(223.02)
Decrease in trade payables, other current and non current liabilities and provisions	(2.29)	(26.03)
<b>Cash generated by operating activities</b>	<b>3,918.13</b>	<b>2,994.62</b>
Payment of domestic and foreign taxes (net of refunds)	(590.17)	(933.07)
<b>Net cash flows generated from operating activities</b>	<b>3,327.96</b>	<b>2,061.55</b>
<b>Investing activities</b>		
Proceeds from sale of current investments	10,589.94	12,419.80
Purchase of current investments	(11,960.70)	(13,629.53)
Investment in bank deposits (having original maturity of more than three months)	(1,781.87)	(4,941.07)
Redemption / maturity of bank deposits (having original maturity of more than three months)	3,390.46	4,079.71
Payment of unclaimed dividend and fractional share	(0.16)	(0.24)
Proceeds from sale of property, plant and equipment	7.68	1.12
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(343.16)	(521.26)
Dividend received	66.66	97.48
Interest received	214.07	185.69
<b>Net cash flows generated from / (used in) investing activities</b>	<b>182.92</b>	<b>(2,308.30)</b>
<b>Financing activities</b>		
Proceeds from issue of equity share capital	6.32	50.84
Proceeds from equity issue pending allotment	-	2.41
Purchase of treasury shares by ESOP Trust	-	(498.93)
Buyback of equity shares	(2,563.75)	-
Buy back expenses	(24.52)	-
Payment of dividend	(36.10)	(37.99)
Dividend distribution tax	(7.60)	(7.95)
Bank loan (repaid) / taken	(8.07)	(46.70)
Interest paid	(188.10)	(0.39)
Principal payment - Lease	(260.53)	-
<b>Net cash flows used in financing activities</b>	<b>(3,082.35)</b>	<b>(538.71)</b>
Effect of exchange fluctuation on cash and cash equivalents	60.84	11.41
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>489.37</b>	<b>(774.05)</b>
Cash and cash equivalents at the beginning of the year	1,256.24	2,030.29
<b>Cash and cash equivalents</b>	<b>1,745.61</b>	<b>1,256.24</b>

- 12 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.

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited*	Unaudited	Audited*	Audited	Audited
Income from operations	2,782.39	2,883.65	2,927.03	11,201.67	11,398.18
Profit before tax	585.77	717.69	736.18	1,833.18	2,843.64
Profit after tax	437.30	540.44	564.38	1,235.71	2,096.13

\* Refer Note 3

For and on behalf of Board of Directors

Priyadarshan  
Mundhra

Digitally signed by Priyadarshan Mundhra, DN: cn=Priyadarshan Mundhra, o=Eclerx Technologies Limited, email=priyadarshan.mundhra@eclerx.com, c=IN

PD Mundhra  
Director

Place: Mumbai

Date: June 09, 2020