

**Limited Review Report****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 "Company") and its subsidiaries (together, the "Group"), for the quarter ended June 30, 2014 (the "Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting, specified under the Companies Act, 1956 (which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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

per **Amit Majmudar**

Partner

Membership No.: 36656

Mumbai, India

July 31, 2014.



## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

(Rs. in lacs, except per share data)

|       | Particulars  | Quarter Ended<br>June 30, 2014<br>(Unaudited) | Quarter Ended<br>March 31, 2014<br>(Audited) | Quarter Ended<br>June 30, 2013<br>(Unaudited) | Year Ended<br>March 31, 2014<br>(Audited) |
|-------|--|---|--|---|---|
| 1     | <b>Income from Operations</b>  |   |  |   |   |
|       | Net Sales/Income from Operations   | 21,738.08                                     | 21,693.82                                    | 18,991.75                                     | 84,099.44                                 |
|       | <b>Total Income from Operations (net)</b>  | <b>21,738.08</b>                              | <b>21,693.82</b>                             | <b>18,991.75</b>                              | <b>84,099.44</b>                          |
| 2     | <b>Expenses</b>  |   |  |   |   |
| a)    | Employees benefits expense   | 10,063.16                                     | 8,794.05                                     | 8,380.87                                      | 35,799.20                                 |
| b)    | Depreciation and amortisation expense  | 1,052.58                                      | 835.50                                       | 895.13  | 3,302.82                                  |
| c)    | Other expenditure  | 3,678.36                                      | 3,607.39                                     | 2,705.09                                      | 12,942.37                                 |
|       | <b>Total Expenses</b>  | <b>14,794.10</b>                              | <b>13,236.94</b>                             | <b>11,981.09</b>                              | <b>52,044.39</b>                          |
| 3     | Profit from Operations before Other Income, Finance Costs and Exceptional Items              | 6,943.98                                      | 8,456.88                                     | 7,010.66                                      | 32,055.05                                 |
| 4     | Other Income   | 93.06   | (103.57)                                     | 1,078.34                                      | 1,101.95                                  |
| 5     | <b>Profit from ordinary activities before Finance Costs and Exceptional Items</b>            | <b>7,037.04</b>                               | <b>8,353.31</b>                              | <b>8,089.00</b>                               | <b>33,157.00</b>                          |
| 6     | Finance Costs  | -   | -  | -   | -   |
| 7     | Profit from ordinary activities after Finance Costs but before Exceptional Items             | 7,037.04                                      | 8,353.31                                     | 8,089.00                                      | 33,157.00                                 |
| 8     | Exceptional Items  | -   | -  | -   | -   |
| 9     | <b>Profit from ordinary activities before tax</b>  | <b>7,037.04</b>                               | <b>8,353.31</b>                              | <b>8,089.00</b>                               | <b>33,157.00</b>                          |
| 10    | Tax expense  | 1,697.03                                      | 1,907.53                                     | 1,919.38                                      | 7,591.39                                  |
| 11    | <b>Profit from Ordinary Activities after tax</b>   | <b>5,340.01</b>                               | <b>6,445.78</b>                              | <b>6,169.62</b>                               | <b>25,565.61</b>                          |
| 12    | Extraordinary Items  | -   | -  | -   | -   |
| 13    | <b>Net Profit for the period</b>   | <b>5,340.01</b>                               | <b>6,445.78</b>                              | <b>6,169.62</b>                               | <b>25,565.61</b>                          |
| 14    | Share of profit / (loss) of associates   | -   | -  | -   | -   |
| 15    | Minority Interest  | -   | -  | -   | -   |
| 16    | <b>Net Profit after taxes, minority interest and share of profit / (loss) of associates</b>  | <b>5,340.01</b>                               | <b>6,445.78</b>                              | <b>6,169.62</b>                               | <b>25,565.61</b>                          |
| 17    | Paid up Equity share Capital<br>(Face Value of Rs. 10/- Each)                                | 3,028.81                                      | 3,017.69                                     | 2,994.68                                      | 3,017.69                                  |
| 18    | Reserves excluding Revaluation Reserve   |   |  |   | 55,877.52                                 |
| 19.i  | Earnings Per Share (EPS) (before extraordinary items)<br>(of Rs. 10/- each) (Not Annualised) |   |  |   |   |
|       | Basic  | 17.68   | 21.47  | 20.63   | 85.14                                     |
|       | Diluted  | 17.33   | 20.88  | 20.41   | 82.81                                     |
| 19.ii | Earnings Per Share (EPS) (after extraordinary items)<br>(of Rs. 10/- each) (Not Annualised)  |   |  |   |   |
|       | Basic  | 17.68   | 21.47  | 20.63   | 85.14                                     |
|       | Diluted  | 17.33   | 20.88  | 20.41   | 82.81                                     |
| 20    | Public Shareholding  |   |  |   |   |
|       | Number of shares   | 14,376,963                                    | 14,265,788                                   | 14,035,666                                    | 14,265,788                                |
|       | Percentage of Shareholding   | 47.47%  | 47.27%                                       | 46.87%  | 47.27%                                    |
| 21    | Promoters and Promoter Group Shareholding  |   |  |   |   |
| a)    | Pledged / Encumbered   |   |  |   |   |
|       | - Number of Shares   | Nil   | Nil  | Nil   | Nil                                       |
|       | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group)     | NA  | NA   | NA  | NA  |
|       | - Percentage of Shares (as a % of the total share capital of the company)                    | NA  | NA   | NA  | NA  |
| b)    | Non-encumbered   |   |  |   |   |
|       | - Number of Shares   | 15,911,119                                    | 15,911,119                                   | 15,911,119                                    | 15,911,119                                |
|       | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group)     | 100.00%                                       | 100.00%                                      | 100.00%                                       | 100.00%                                   |
|       | - Percentage of Shares (as a % of the total share capital of the company)                    | 52.53%  | 52.73%                                       | 53.13%  | 52.73%                                    |

|    | Quarter Ended<br>June 30, 2014                 |
|----|--|
| 22 | Investor Complaints                            |
|    | Pending at the beginning of the quarter        |
|    | Received during the quarter                    |
|    | Disposed of during the quarter                 |
|    | Remaining unresolved at the end of the quarter |

(Rs. in lacs)

## Other Information :

| Particulars                    | Quarter Ended<br>June 30, 2014<br>(Unaudited) | Quarter Ended<br>March 31, 2014<br>(Audited) | Quarter Ended<br>June 30, 2013<br>(Unaudited) | Year Ended<br>March 31, 2014<br>(Audited) |
|--------------------------------|---|--|---|---|
| <b>Details of Other Income</b> |   |  |   |   |
| Dividend Income                | 140.13  | 179.51                                       | 73.50   | 396.42                                    |
| Exchange Difference (Net)      | (497.64)                                      | (570.43)                                     | 772.64  | (314.02)                                  |
| Other Income                   | 450.57  | 287.35                                       | 232.20  | 1,019.55                                  |
| <b>Total</b>                   | <b>93.06</b>                                  | <b>(103.57)</b>                              | <b>1,078.34</b>                               | <b>1,101.95</b>                           |

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




**Notes :**

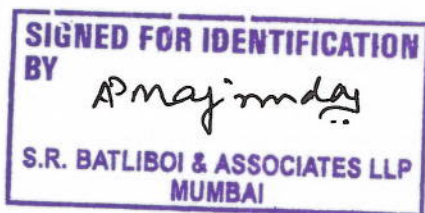
- 1 The above financial results, which have been subjected to Limited Review by Statutory Auditors, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2014.
- 2 The consolidated financial results of eClerx Services Limited (the 'Company' or the 'Group') are compiled from the consolidated financial statements prepared in accordance with the principles and procedures for the preparation and presentation of consolidated accounts as set out in the Accounting Standard 21 on 'Consolidated Financial Statements' as specified under the Companies Act, 1956 (which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014).
- 3 The figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2014 and unaudited published year-to-date figures up to December 31, 2013, being the end of the third quarter of the financial year, which were subjected to limited review.
- 4 From April 1, 2014 the Company has adopted the principles of Accounting Standard 30, Financial Instruments: Recognition and Measurement (AS-30) issued by ICAI to the extent the adoption of AS-30 does not conflict with existing accounting standards specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014). The Company designates the forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 in respect of cash flow hedge whereby the effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the hedging reserve and reclassified into the statement of profit and loss upon the occurrence of the hedged transaction. Changes in the fair value relating to the ineffective portion of the hedges and forward contracts that do not qualify for hedge accounting are recognised in the statement of profit and loss. Had the Company continued to follow the earlier policy, its total other income for the quarter ended June 30, 2014 would have been higher by Rs 860.13 lacs.
- 5 In accordance with Schedule II of the Companies Act 2013, the Company revised the estimated useful lives of certain group of fixed assets with effect from April 1, 2014. As per Schedule II, depreciation of Rs. 157.65 lacs (Rs. 212.01 lacs net of deferred tax effect of Rs.54.36 lacs) is charged against General Reserve. Additional Depreciation of Rs. 261.14 lacs due to the change in estimates is charged to the statement of profit and loss for the quarter ended June 30, 2014.
- 6 The Company operates under a single primary segment, which is data analytics and process outsourcing services. Further the risks and rewards under various geographies where the Group operates are similar in nature.
- 7 The Company has deferred the recognition of cumulative Minimum Alternative Tax (MAT) credit of Rs. 2710.30 lacs as at June 30, 2014, which could be available for set off against future tax liability under the provisions of the Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.
- 8 The standalone financial results of the Company would be available for perusal on the company's website viz www.eclerx.com. Key standalone financial information is given below:

| Particulars            | Quarter Ended               |                           |                             | (Rs. in lacs)                           |
|------------------------|-----------------------------|---------------------------|-----------------------------|---|
|                        | Jun 30, 2014<br>(Unaudited) | Mar 31, 2014<br>(Audited) | Jun 30, 2013<br>(Unaudited) | Year Ended<br>Mar 31, 2014<br>(Audited) |
| Income from Operations | 18,901.87                   | 18,557.59                 | 15,801.16                   | 71,338.39                               |
| Profit before tax      | 6,384.20                    | 7,716.73                  | 7,562.55                    | 30,902.28                               |
| Profit after tax       | 5,101.81                    | 6,123.09                  | 5,996.37                    | 24,650.98                               |

- 9 Figures for previous periods / year have been regrouped, wherever necessary.

Place: Mumbai  
Date: July 31, 2014

For and on behalf of Board of Directors  
  
ANISH GHOSHAL  
Chairman for the meeting



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

1. We have reviewed the accompanying statement of unaudited financial results of eClerx Services Limited (the "Company") for the quarter ended June 30, 2014 (the "Statement"), except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25, Interim Financial Reporting, specified under the Companies Act, 1956 (which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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



per **Amit Majmudar**  
Partner  
Membership No.: 36656

Mumbai, India  
July 31, 2014



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014**

(Rs. in lacs, except per share data)

|       | Particulars  | Quarter Ended<br>June 30, 2014<br>(Unaudited) | Quarter Ended<br>March 31, 2014<br>(Audited) | Quarter Ended<br>June 30, 2013<br>(Unaudited) | Year Ended<br>March 31, 2014<br>(Audited) |
|-------|--|---|--|---|---|
| 1     | <b>Income from Operations</b>  |   |  |   |   |
|       | Net Sales/Income from Operations   | 18,901.87                                     | 18,557.59                                    | 15,801.16                                     | 71,338.39                                 |
|       | <b>Total Income from Operations (net)</b>  | <b>18,901.87</b>                              | <b>18,557.59</b>                             | <b>15,801.16</b>                              | <b>71,338.39</b>                          |
| 2     | <b>Expenses</b>  |   |  |   |   |
| a)    | Employees benefits expense   | 6,385.33                                      | 5,175.06                                     | 5,044.77                                      | 21,523.38                                 |
| b)    | Depreciation and amortisation expense  | 549.45  | 377.08                                       | 339.12  | 1,432.77                                  |
| c)    | Contract for Services  | 3,451.95                                      | 3,136.24                                     | 2,197.61                                      | 11,109.99                                 |
| d)    | Other expenditure  | 2,224.80                                      | 2,194.64                                     | 1,676.85                                      | 7,946.27                                  |
|       | <b>Total Expenses</b>  | <b>12,611.53</b>                              | <b>10,883.02</b>                             | <b>9,258.35</b>                               | <b>42,012.41</b>                          |
| 3     | Profit from Operations before Other Income, Finance Costs and Exceptional Items              | 6,290.34                                      | 7,674.57                                     | 6,542.81                                      | 29,325.98                                 |
| 4     | Other Income   | 93.86   | 42.16  | 1,019.74                                      | 1,576.30                                  |
| 5     | <b>Profit from ordinary activities before Finance Costs and Exceptional Items</b>            | <b>6,384.20</b>                               | <b>7,716.73</b>                              | <b>7,562.55</b>                               | <b>30,902.28</b>                          |
| 6     | Finance Costs  | -   | -  | -   | -   |
| 7     | Profit from ordinary activities after Finance Costs but before Exceptional Items             | 6,384.20                                      | 7,716.73                                     | 7,562.55                                      | 30,902.28                                 |
| 8     | Exceptional Items  | -   | -  | -   | -   |
| 9     | <b>Profit from ordinary activities before tax</b>  | <b>6,384.20</b>                               | <b>7,716.73</b>                              | <b>7,562.55</b>                               | <b>30,902.28</b>                          |
| 10    | Tax expense  | 1,282.39                                      | 1,593.64                                     | 1,566.18                                      | 6,251.30                                  |
| 11    | <b>Profit from Ordinary Activities after tax</b>   | <b>5,101.81</b>                               | <b>6,123.09</b>                              | <b>5,996.37</b>                               | <b>24,650.98</b>                          |
| 12    | Extraordinary Items  | -   | -  | -   | -   |
| 13    | <b>Net Profit for the period</b>   | <b>5,101.81</b>                               | <b>6,123.09</b>                              | <b>5,996.37</b>                               | <b>24,650.98</b>                          |
| 14    | Paid up Equity share Capital<br>(Face Value of Rs. 10/- Each)                                | 3,028.81                                      | 3,017.69                                     | 2,994.68                                      | 3,017.69                                  |
| 15    | Reserves excluding Revaluation Reserve   |   |  |   | 50,824.56                                 |
| 16.i  | Earnings Per Share (EPS) (before extraordinary items)<br>(of Rs. 10/- each) (Not Annualised) |   |  |   |   |
|       | Basic  | 16.89   | 20.39  | 20.05   | 82.09                                     |
|       | Diluted  | 16.55   | 19.83  | 19.83   | 79.85                                     |
| 16.ii | Earnings Per Share (EPS) (after extraordinary items)<br>(of Rs. 10/- each) (Not Annualised)  |   |  |   |   |
|       | Basic  | 16.89   | 20.39  | 20.05   | 82.09                                     |
|       | Diluted  | 16.55   | 19.83  | 19.83   | 79.85                                     |
| 17    | Public Shareholding  |   |  |   |   |
|       | Number of shares   | 14,376,963                                    | 14,265,788                                   | 14,035,666                                    | 14,265,788                                |
|       | Percentage of Shareholding   | 47.47%  | 47.27%                                       | 46.87%  | 47.27%                                    |
| 18    | Promoters and Promoter Group Shareholding  |   |  |   |   |
| a)    | Pledged / Encumbered   |   |  |   |   |
|       | - Number of Shares   | Nil   | Nil  | Nil   | Nil                                       |
|       | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group)     | NA  | NA   | NA  | NA  |
|       | - Percentage of Shares (as a % of the total share capital of the company)                    | NA  | NA   | NA  | NA  |
| b)    | Non-encumbered   |   |  |   |   |
|       | - Number of Shares   | 15,911,119                                    | 15,911,119                                   | 15,911,119                                    | 15,911,119                                |
|       | - Percentage of Shares (as a % of the total shareholding of promoter and promoter group)     | 100.00%                                       | 100.00%                                      | 100.00%                                       | 100.00%                                   |
|       | - Percentage of Shares (as a % of the total share capital of the company)                    | 52.53%  | 52.73%                                       | 53.13%  | 52.73%                                    |

|  | Quarter Ended<br>Jun 30, 2014 |
|--|-------------------------------|
| 19 Investor Complaints                         |                               |
| Pending at the beginning of the quarter        | -                             |
| Received during the quarter                    | 4                             |
| Disposed of during the quarter                 | 4                             |
| Remaining unresolved at the end of the quarter | -                             |

**Other Information :**

(Rs. in lacs)

| Particulars                    | Quarter Ended<br>June 30, 2014<br>(Unaudited) | Quarter Ended<br>March 31, 2014<br>(Audited) | Quarter Ended<br>June 30, 2013<br>(Unaudited) | Year Ended<br>March 31, 2014<br>(Audited) |
|--------------------------------|---|--|---|---|
| <b>Details of Other Income</b> |   |  |   |   |
| Dividend Income                | 135.07  | 174.50                                       | 73.50   | 380.12                                    |
| Exchange Difference (Net)      | (481.70)                                      | (405.42)                                     | 705.56  | 190.55                                    |
| Other Income                   | 440.49  | 273.08                                       | 240.68  | 1,005.63                                  |
| <b>Total</b>                   | <b>93.86</b>                                  | <b>42.16</b>                                 | <b>1,019.74</b>                               | <b>1,576.30</b>                           |

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



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 July 31, 2014.
- 2 The Company operates under a single primary segment which is data analytics and process outsourcing services. Further the risks and rewards under various geographies where the Company operates are similar in nature.
- 3 The figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2014 and unaudited published year-to-date figures up to December 31, 2013, being the end of the third quarter of the financial year, which were subjected to limited review.
- 4 From April 1, 2014 the Company has adopted the principles of Accounting Standard 30, Financial Instruments: Recognition and Measurement (AS-30) issued by ICAI to the extent the adoption of AS-30 does not conflict with existing accounting standards specified under the Companies Act, 1956 (which are deemed to be applicable as per section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014). The Company designates the forward contracts in a hedging relationship by applying the hedge accounting principles of AS 30 in respect of cash flow hedge whereby the effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the hedging reserve and reclassified into the statement of profit and loss upon the occurrence of the hedged transaction. Changes in the fair value relating to the ineffective portion of the hedges and forward contracts that do not qualify for hedge accounting are recognised in the statement of profit and loss. Had the Company continued to follow the earlier policy, its total other income for the quarter ended June 30, 2014 would have been higher by Rs 860.13 lacs.
- 5 In accordance with Schedule II of the Companies Act 2013, the Company revised the estimated useful lives of certain group of fixed assets with effect from April 1, 2014. As per Schedule II, depreciation of Rs.149.31 lacs (Rs.199.80 lacs net of deferred tax effect of Rs.50.49 lacs) is charged against General Reserve. Additional Depreciation of Rs. 204.16 lacs due to the change in estimates is charged to the statement of profit and loss for the quarter ended June 30, 2014.
- 6 The Company has deferred the recognition of cumulative Minimum Alternative Tax (MAT) credit of Rs. 2710.30 lacs as at June 30, 2014, which could be available for set off against future tax liability under the provisions of the Income Tax Act, 1961 on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.
- 7 Figures for previous periods / year have been regrouped wherever necessary.

Place: Mumbai  
Date: July 31, 2014

For and on behalf of Board of Directors



ANISH GHOSHAL

Chairman for the meeting

