

**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 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, 2020 and year to date from April 01, 2020 to September 30, 2020 (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 (the "Act"), 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 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 Act, 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 of four subsidiaries, whose unaudited interim financial information/ financial results reflect Group's share of total assets of Rs. 2,864.46 million as on September 30, 2020, and Group's share of total revenues of Rs. 447.31 million and Rs. 767.72 million, Group's share of net profit after tax of Rs. 48.24 million and Rs. 35.59 million and Group's share of total comprehensive income of Rs. 45.82 million and Rs. 28.86 million for the quarter ended September 30, 2020 and for the period April 1, 2020 to September 30, 2020, respectively, and net cash inflows of Rs 38.87 million for the period April 1, 2020 to September 30, 2020, as considered in the Statement which have been reviewed by their respective 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

**VINEET  
KEDIA**

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per **Vineet Kedia**

Partner

Membership No.: 212230

UDIN: 20212230AAAABV9596

Mumbai

November 05, 2020



**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**

<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	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
11	eClerx B.V.

**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, 2020**

Sr. No.	Particulars	(Rupees in million, except per share data)					
		Quarter ended			Half year ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	3,607.86	3,365.53	3,564.69	6,973.39	7,111.90	14,375.71
II	Other income	56.78	134.57	86.03	191.35	182.01	467.05
III	<b>Total Income (I + II)</b>	<b>3,664.64</b>	<b>3,500.10</b>	<b>3,650.72</b>	<b>7,164.74</b>	<b>7,293.91</b>	<b>14,842.76</b>
IV	<b>Expenses</b>						
	Employee benefits expense	2,031.73	2,018.37	2,131.84	4,050.10	4,326.78	8,542.62
	Depreciation and amortisation expense	196.20	172.98	176.51	369.18	348.18	708.95
	Cost of technical sub-contractors	117.14	105.34	135.56	222.48	275.95	554.44
	Other expenses	438.58	427.85	516.49	866.43	1,080.41	2,043.46
	Finance costs	49.43	49.29	47.46	98.72	90.69	188.10
	<b>Total expenses (IV)</b>	<b>2,833.08</b>	<b>2,773.83</b>	<b>3,007.86</b>	<b>5,606.91</b>	<b>6,122.01</b>	<b>12,037.57</b>
V	Profit before exceptional items and tax (III-IV)	831.56	726.27	642.86	1,557.83	1,171.90	2,805.19
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit before tax</b>	<b>831.56</b>	<b>726.27</b>	<b>642.86</b>	<b>1,557.83</b>	<b>1,171.90</b>	<b>2,805.19</b>
VIII	Tax expense	217.03	208.62	205.76	425.65	336.77	715.47
	(1) Current tax	222.52	187.65	164.29	410.17	329.80	723.20
	(2) Deferred tax	(5.49)	20.97	41.47	15.48	6.97	(7.73)
IX	<b>Profit for the period (VII-VIII)</b>	<b>614.53</b>	<b>517.65</b>	<b>437.10</b>	<b>1,132.18</b>	<b>835.13</b>	<b>2,089.72</b>
	Attributable to:						
	Shareholders of the Company	609.94	517.72	438.93	1,127.66	837.04	2,089.83
	Non controlling interest	4.59	(0.07)	(1.83)	4.52	(1.91)	(0.11)
X	<b>Profit for the period (IX)</b>	<b>614.53</b>	<b>517.65</b>	<b>437.10</b>	<b>1,132.18</b>	<b>835.13</b>	<b>2,089.72</b>
XI	Other Comprehensive Income / (Loss) ('OCI')	207.29	154.02	(125.44)	361.31	(104.55)	(180.87)
	A (i) Items that will not be reclassified to profit or loss	(14.30)	(13.95)	(5.21)	(28.25)	(35.95)	(17.48)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.60	3.51	(0.14)	7.11	8.96	4.11
	B (i) Items that will be reclassified to profit or loss (net)	289.58	203.36	(162.34)	492.94	(105.64)	(310.93)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(71.59)	(38.90)	42.25	(110.49)	28.08	143.43
XII	<b>Total Comprehensive Income for the period (X+XI)</b> <b>(Comprising Profit and Other Comprehensive Income for the period)</b>	<b>821.82</b>	<b>671.67</b>	<b>311.66</b>	<b>1,493.49</b>	<b>730.58</b>	<b>1,908.85</b>
	Attributable to:						
	Shareholders of the Company	817.23	671.74	313.49	1,488.97	732.49	1,908.96
	Non controlling interest	4.59	(0.07)	(1.83)	4.52	(1.91)	(0.11)
XIII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	340.06	361.00	361.00	340.06	361.00	361.00
XIV	Other equity						12,707.26
XV	Earnings per share: (in Rs.)						
	(1) Basic	17.74	14.34	12.16	32.00	22.69	57.26
	(2) Diluted	17.71	14.34	12.16	31.98	22.66	57.25





**Notes :**

- 1 The statement of unaudited financial results for the quarter and half year ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 05, 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, as amended read with the relevant rules issued thereunder.
- 3 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, intangible assets, other financial assets, revenues and costs, leases and its hedging program. In assessing the recoverability of its assets, the Group has used internal and external sources of information up to the date of approval of these consolidated financial results and expects to recover the net carrying amount of its assets. The Group also expects the demand for services to remain volatile for some more time. However, the actual impact of COVID-19 on the Group's financial statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.
- 4 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.
- 5 The Board of Directors vide their meeting dated July 06, 2020 approved buyback of equity shares of the Company for an aggregate amount not exceeding Rs. 1,095 million at a buyback price not exceeding Rs. 550 per equity share from the shareholders/beneficial owners of the company (other than those who are Promoters, members of promoter Group and persons in control of the Company). The Company bought back 2,093,815 equity shares of Rs 10 each at an average price of Rs. 522.97 per share amounting to Rs. 1,095 million and concluded the said buyback on July 22, 2020. The shares so bought back were extinguished and the issued and paid up capital stands amended accordingly. Further, the Company has incurred buy back expenses of Rs. 9.47 million and buy back tax of Rs. 243 million which have been charged to retained earnings.
- 6 The Group through its subsidiary Eclerx Investments (UK) limited, incorporated Eclerx B.V. in May 2020 having its registered office in Amsterdam.
- 7 The Code on Social Security, 2020 relating to employee benefits during the employment and post- employment benefits received President's assent on September 28, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The Group will assess and record the impact of the Code, if any, when it becomes effective.



## 8 Statement of assets and liabilities

Particulars	(Rupees in million)	
	As at	As at
	September 30, 2020	March 31, 2020
	Unaudited	Audited
<b>A. ASSETS</b>		
<b>1. Non current assets</b>		
Property, plant and equipment	843.45	778.26
Right of use assets	1,263.95	1,281.47
Capital work in progress	7.35	7.99
Goodwill on consolidation	2,321.47	2,272.10
Other intangible assets	456.79	465.61
Financial assets		
Investments	2.40	2.40
Derivative instruments	34.89	-
Other financial assets	147.13	125.14
Deferred tax assets (net)	256.35	384.25
Other non - current assets	61.38	191.88
Non-current tax assets (net)	103.41	103.41
	<b>5,498.57</b>	<b>5,612.51</b>
<b>2. Current assets</b>		
Inventories	6.44	3.04
Financial assets		
Investments	3,599.53	4,365.52
Trade receivables	2,201.24	2,377.84
Cash and cash equivalents	2,887.57	1,745.61
Other bank balances	1,102.74	1,599.38
Other financial assets	788.29	1,124.19
Derivative instruments	63.11	-
Other current assets	653.71	531.46
	<b>11,302.63</b>	<b>11,747.04</b>
<b>TOTAL - ASSETS</b>	<b>16,801.20</b>	<b>17,359.55</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
Equity Share capital	340.06	361.00
Other Equity	12,839.40	12,701.14
<b>Total Equity attributable to shareholders of the Company</b>	<b>13,179.46</b>	<b>13,062.14</b>
Non-controlling interests	10.84	6.12
<b>Total Equity</b>	<b>13,190.30</b>	<b>13,068.26</b>
<b>2. Non current liabilities</b>		
Financial liabilities		
Lease liabilities	1,309.51	1,316.50
Derivative instruments	-	96.63
Borrowings	0.35	3.15
Deferred tax liabilities (net)	125.08	129.35
Employee benefit obligations	500.60	443.08
	<b>1,935.54</b>	<b>1,988.71</b>
<b>3. Current liabilities</b>		
Financial liabilities		
Lease liabilities	255.04	240.84
Derivative instruments	-	244.38
Borrowings	5.63	5.53
Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	0.12	3.16
Total outstanding dues of creditors other than Micro enterprises and small enterprises	75.65	135.48
Other financial liabilities	496.33	444.19
Other current liabilities	137.87	153.14
Employee benefit obligations	569.16	879.27
Current tax liabilities (net)	135.56	196.59
	<b>1,675.36</b>	<b>2,302.58</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>16,801.20</b>	<b>17,359.55</b>





9 Statement of Cash flow

(Rupees in Million)

	Half year ended		Year ended
	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Audited
<b>Operating activities</b>			
Profit before tax	1,557.83	1,171.90	2,805.19
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	325.81	306.61	621.55
Amortisation and impairment of intangible assets	43.37	41.57	87.40
Share-based payment expense	9.67	(4.18)	9.28
Net foreign exchange differences	(8.51)	(16.96)	36.27
Loss / (Gain) on sale of assets	3.50	12.88	12.93
Interest income on corporate rent deposits	(7.06)	(5.16)	(11.44)
Amortised cost on corporate rent deposits	7.78	4.95	11.84
(Profit) on sale of current investments	(106.00)	(0.90)	(13.32)
Dividend income	(0.03)	(63.83)	(66.66)
Interest income	(66.98)	(79.07)	(132.16)
Other adjustments	(27.03)	(35.95)	(17.48)
Bad debts written off	2.19	-	11.70
Finance cost	98.72	90.69	188.10
Provision for doubtful debts	2.90	7.34	9.12
Fair value (gain) / loss on financial instruments at fair value through profit or loss	5.57	(16.24)	(121.20)
	<b>1,841.73</b>	<b>1,413.65</b>	<b>3,431.12</b>
<b>Working capital adjustments:</b>			
Decrease in trade receivables	119.66	350.52	98.36
(Increase) / Decrease in inventories	(3.41)	(0.21)	0.56
Decrease in other current and non current financial assets	313.16	47.00	26.45
Decrease in other current and non current assets	8.88	148.80	150.60
(Decrease) / Increase in employee benefit obligations	(252.59)	(96.67)	213.33
(Decrease) / Increase in trade payables, other current and non current liabilities and provisions	(19.60)	86.03	(2.29)
<b>Cash generated by operating activities</b>	<b>2,007.83</b>	<b>1,949.12</b>	<b>3,918.13</b>
Payment of domestic and foreign taxes (net of refunds)	(471.20)	(190.83)	(590.17)
<b>Net cash flows generated from operating activities</b>	<b>1,536.63</b>	<b>1,758.29</b>	<b>3,327.96</b>
<b>Investing activities</b>			
Proceeds from sale of current investments	5,609.77	6,866.66	10,589.94
Purchase of current investments	(4,743.35)	(6,866.87)	(11,960.70)
Investment in bank deposits (having original maturity of more than three months)	(1,546.14)	(1,070.63)	(1,781.87)
Redemption / maturity of bank deposits (having original maturity of more than three months)	2,032.80	2,420.23	3,390.46
Payment of unclaimed dividend and fractional share	0.08	-	(0.16)
Proceeds from sale of property, plant and equipment	0.86	7.45	7.68
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(264.01)	(132.71)	(343.16)
Dividend received	0.03	63.83	66.66
Interest received	76.99	144.89	214.07
<b>Net cash flows generated from investing activities</b>	<b>1,167.03</b>	<b>1,432.85</b>	<b>182.92</b>
<b>Financing activities</b>			
Proceeds from issue of equity share capital	-	6.32	6.32
Buyback of equity shares including buyback tax and buyback expenses	(1,324.44)	(2,589.63)	(2,588.27)
Payment of dividend	(34.01)	(36.10)	(36.10)
Dividend distribution tax	-	(7.60)	(7.60)
Bank loan (repaid) / taken	(2.70)	(4.38)	(8.07)
Interest paid	(98.72)	(90.48)	(188.10)
Principal payment - Lease	(125.79)	(137.98)	(260.53)
<b>Net cash flows used in financing activities</b>	<b>(1,585.66)</b>	<b>(2,859.85)</b>	<b>(3,082.35)</b>
Effect of exchange fluctuation on cash and cash equivalents	23.96	(29.24)	60.84
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,141.96</b>	<b>302.05</b>	<b>489.37</b>
Cash and cash equivalents at the beginning of the year	1,745.61	1,256.24	1,256.24
<b>Cash and cash equivalents</b>	<b>2,887.57</b>	<b>1,558.29</b>	<b>1,745.61</b>

10 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 million)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	2,870.91	2,716.58	2,758.91	5,587.49	5,535.63	11,201.67
Profit before tax	718.50	703.61	87.33	1,422.11	529.72	1,833.18
Profit after tax	533.65	500.72	(80.30)	1,034.37	257.97	1,235.71

For and on behalf of Board of Directors and of Directors

Place: Mumbai

Date: November 05, 2020

Priyadarshan  
Mundhra  
PD Mundhra  
Executive Director