

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 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 September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (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, (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.
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 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.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004**VINEET
KEDIA**Digitally signed by VINEET KEDIA
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Date: 2020.11.05 15:45:42 +05'30'**per Vineet Kedia**

Partner

Membership No.: 212230

UDIN: 20212230AAAABU4578

Mumbai

November 05, 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 HALF YEAR ENDED SEPTEMBER 30, 2020

(Rupees in million, except per share data)

Sr. No.	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
I	Revenue from operations	2,870.91	2,716.58	2,758.91	5,587.49	5,535.63	11,201.67
II	Other income	71.68	142.17	102.67	213.85	218.27	540.01
III	Total Income (I + II)	2,942.59	2,858.75	2,861.58	5,801.34	5,753.90	11,741.68
IV	Expenses						
	Employee benefits expense	1,167.81	1,131.72	1,214.36	2,299.53	2,454.33	4,844.92
	Depreciation and amortisation expense	130.11	108.32	112.37	238.43	222.20	445.93
	Cost of technical sub-contractors	72.82	53.36	32.16	126.18	77.69	199.54
	Sales and marketing services	531.39	515.71	613.66	1,047.10	1,267.16	2,455.33
	Other expenses	274.91	299.36	312.13	574.27	673.13	1,297.76
	Finance costs	47.05	46.67	44.63	93.72	84.73	176.62
	Total expenses (IV)	2,224.09	2,155.14	2,329.31	4,379.23	4,779.24	9,420.10
V	Profit before exceptional items and tax (III-IV)	718.50	703.61	532.27	1,422.11	974.66	2,321.58
VI	Exceptional items (Refer note 6)	-	-	444.94	-	444.94	488.40
VII	Profit before tax (V-VI)	718.50	703.61	87.33	1,422.11	529.72	1,833.18
VIII	Tax expense	184.85	202.89	167.63	387.74	271.75	597.47
	(1) Current tax	192.89	170.18	121.00	363.07	249.60	584.63
	(2) Deferred tax	(8.04)	32.71	46.63	24.67	22.15	12.84
IX	Profit / (loss) for the period (VII-VIII)	533.65	500.72	(80.30)	1,034.37	257.97	1,235.71
X	Other Comprehensive Income / (Loss) ('OCI')	202.16	105.22	(116.37)	307.38	(91.05)	(418.29)
	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)	284.45	154.56	(153.27)	439.01	(92.14)	(548.35)
	(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
XI	Total Comprehensive Income / (Loss) for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)	735.81	605.94	(196.67)	1,341.75	166.92	817.42
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	348.90	369.83	369.83	348.90	369.83	369.83
XIII	Other equity						10,743.24
XIV	Earnings per share: (in Rs.)						
	(1) Basic	15.13	13.54	(2.17)	28.64	6.83	33.05
	(2) Diluted	15.10	13.54	(2.17)	28.62	6.82	33.05



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 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 has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenue, investment in subsidiaries, intangible assets, other financial assets, revenues and costs, leases and its hedging program. In assessing the recoverability of its assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial results and expects to recover the net carrying amount of its assets. The Company also expects the demand for services to remain volatile for some more time. However, the actual impact of COVID-19 on the Company's financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.
- 4 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.
- 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 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 between the purchase price of these shares and exercise price of the share options / market price of shares, 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 and Rs 43.46 million in the results for the quarters ended September 30, 2019 and March 31, 2020 respectively. Total provision for the year ended March 31, 2020 amounted to Rs 488.40 million.
- 7 The Company through its subsidiary Eclerx Investments (UK) limited, incorporated Eclerx B.V. in May 2020 having its registered office in Amsterdam.
- 8 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 Company will assess and record the impact of the Code, if any, when it becomes effective.



9 Statement of assets and liabilities

(Rupees in million)

Particulars	As at	As at
	September 30, 2020	March 31, 2020
	Unaudited	Audited
A. ASSETS		
1. Non current assets		
Property, plant and equipment	635.77	542.89
Right of use assets	1,017.39	1,018.66
Capital work-in-progress	2.66	2.65
Intangible assets	33.34	28.57
Financial assets		
Investments	2,370.86	2,373.22
Derivative instruments	34.89	-
Long term loans	711.60	711.60
Other financial assets	138.32	116.36
Deferred tax assets (net)	234.78	362.83
Other non-current assets	61.39	191.88
Non-current tax assets (net)	103.41	103.41
	5,344.41	5,452.07
2. Current assets		
Financial assets		
Investments	3,598.01	4,363.78
Trade receivables	1,664.15	1,714.14
Cash and cash equivalents	1,096.23	621.87
Other bank balance	1,088.00	1,584.25
Other financial assets	713.48	1,011.52
Derivative instruments	63.11	-
Other current assets	555.12	412.46
	8,778.10	9,708.02
TOTAL - ASSETS	14,122.51	15,160.09
B. EQUITY AND LIABILITIES		
1. Equity		
Equity share capital	348.90	369.83
Other equity	10,726.50	10,743.24
	11,075.40	11,113.07
2. Non current liabilities		
Financial liabilities		
Lease liabilities	1,126.16	1,123.52
Derivative instruments	-	96.63
Employee benefit obligations	370.84	306.07
	1,497.00	1,526.22
3. Current Liabilities		
Financial liabilities		
Lease liabilities	168.10	146.43
Derivative instruments	-	244.37
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	579.50	1,090.08
Other financial liabilities	338.25	335.10
Other current liabilities	63.26	57.32
Employee benefit obligations	354.30	621.24
Current tax liabilities (net)	46.58	23.10
	1,550.11	2,520.80
TOTAL - EQUITY AND LIABILITIES	14,122.51	15,160.09



10 Statement of Cash flow

(Rupees in million)

	Half Year ended		Year ended
	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Audited
Operating activities			
Profit before tax	1,422.11	529.72	1,833.18
Adjustments to reconcile profit before tax to net cash flows:			
Items that will not be reclassified to profit or loss in subsequent periods	(28.25)	(35.95)	(17.48)
Depreciation of property, plant and equipment	230.47	215.59	430.78
Amortisation and impairment of intangible assets	7.96	6.61	15.15
Share-based payment expense	5.28	6.04	8.50
Net foreign exchange differences	26.97	(16.96)	(45.50)
Loss on sale of assets	3.50	12.88	12.93
Interest income on corporate rent deposits	(7.06)	(5.16)	(11.45)
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	-	(62.22)	(65.02)
Interest income	(64.69)	(120.98)	(152.04)
Bad debts written off	2.19	-	11.70
Reversal of provision for doubtful debts	2.90	3.95	(4.20)
Finance cost	93.72	84.73	176.62
Fair value (gain) / loss on financial instruments at fair value through profit or loss	5.57	(16.24)	(121.20)
Provision for doubtful recovery of loan to ESOP Trust (refer note 6)	-	444.94	488.40
Other adjustments	(3.91)	-	-
	1,598.54	1,051.00	2,558.89
Working capital adjustments:			
Increase/ (Decrease) in trade receivables	(6.96)	353.28	213.95
Decrease/ (Increase) in other current and non current financial assets	275.32	256.62	(25.21)
Increase/ (Decrease) in other current and non current assets	(11.53)	-	213.28
(Decrease)/ Increase in employee benefit obligations	(202.17)	(71.19)	141.47
(Decrease)/ Increase in trade payables, other current and non current liabilities and provisions	(497.52)	53.66	391.46
	1,155.68	1,643.37	3,493.84
Cash generated by operating activities	(339.60)	(199.07)	(586.83)
Income tax paid (Net of refunds)			
Net cash flows generated from operating activities	816.08	1,444.30	2,907.01
Investing activities			
Proceeds from sale of current investments	5,609.55	6,756.95	10,536.44
Purchase of current investments	(4,743.35)	(6,809.70)	(11,960.70)
Investment in bank deposits (having original maturity of more than three months)	(1,546.14)	(1,070.35)	(1,781.87)
Redemption / maturity of bank deposits (having original maturity of more than three months)	2,032.45	2,420.23	3,390.46
Unclaimed dividend and fractional share	0.08	-	(0.16)
Proceeds from sale of property, plant and equipment	0.85	7.45	7.64
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(240.24)	(122.01)	(227.84)
Dividend received	-	62.22	65.02
Interest received	74.69	253.19	322.04
Net cash flows generated from investing activities	1,187.89	1,497.98	351.03
Financing activities			
Proceeds from issue of equity share capital	-	6.32	6.32
Buyback of equity shares including buyback tax and buyback expenses	(1,324.44)	(2,645.42)	(2,644.52)
Payment of dividend	(34.89)	(36.98)	(36.98)
Dividend distribution tax	-	(7.60)	(7.60)
Interest paid	(93.72)	(84.73)	(176.62)
Principal payment - Lease	(76.56)	(84.53)	(163.10)
Net cash flows used in financing activities	(1,529.61)	(2,852.94)	(3,022.50)
Net increase / (decrease) in cash and cash equivalents	474.36	89.34	235.54
Cash and cash equivalents at the beginning of the year	621.87	386.33	386.33
Cash and cash equivalents	1,096.23	475.67	621.87

For and on behalf of Board of Directors

Priyadarsha
n Mundhra

PD Mundhra
Executive Director

Place: Mumbai
Date: November 05, 2020