

**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 December 31, 2020 and year to date from April 01, 2020 to December 31, 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**  
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**per Vineet Kedia**

Partner

Membership No.: 212230

UDIN: 21212230AAAAAK7191

Mumbai

January 28, 2021

**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, 2020**

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	3,091.28	2,870.91	2,883.65	8,678.77	8,419.28	11,201.67
II	Other income	103.77	71.68	123.47	317.62	341.74	540.01
III	<b>Total Income (I + II)</b>	<b>3,195.05</b>	<b>2,942.59</b>	<b>3,007.12</b>	<b>8,996.39</b>	<b>8,761.02</b>	<b>11,741.68</b>
IV	<b>Expenses</b>						
	Employee benefits expense	1,249.53	1,167.81	1,174.95	3,549.06	3,629.28	4,844.92
	Depreciation and amortisation expense	130.98	130.11	110.03	369.41	332.23	445.93
	Cost of technical sub-contractors	87.82	72.82	67.27	214.00	144.96	199.54
	Sales and marketing services	654.32	531.39	596.37	1,701.42	1,863.53	2,455.33
	Other expenses	259.94	274.91	295.48	834.21	968.61	1,297.76
	Finance costs	45.90	47.05	45.33	139.62	130.06	176.62
	<b>Total expenses (IV)</b>	<b>2,428.49</b>	<b>2,224.09</b>	<b>2,289.43</b>	<b>6,807.72</b>	<b>7,068.67</b>	<b>9,420.10</b>
V	Profit before exceptional items and tax (III-IV)	766.56	718.50	717.69	2,188.67	1,692.35	2,321.58
VI	Exceptional items (Refer note 7)	-	-	-	-	444.94	488.40
VII	<b>Profit before tax (V-VI)</b>	<b>766.56</b>	<b>718.50</b>	<b>717.69</b>	<b>2,188.67</b>	<b>1,247.41</b>	<b>1,833.18</b>
VIII	Tax expense	195.41	184.85	177.25	583.15	449.00	597.47
	(1) Current tax	229.12	192.89	184.85	592.19	434.45	584.63
	(2) Deferred tax	(33.71)	(8.04)	(7.60)	(9.04)	14.55	12.84
IX	<b>Profit / (loss) for the period (VII-VIII)</b>	<b>571.15</b>	<b>533.65</b>	<b>540.44</b>	<b>1,605.52</b>	<b>798.41</b>	<b>1,235.71</b>
X	Other Comprehensive Income / (Loss) ('OCI')	97.67	202.16	(2.61)	405.05	(93.66)	(418.29)
	A (i) Items that will not be reclassified to profit or loss	(14.32)	(14.30)	0.19	(42.57)	(35.76)	(17.48)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.60	3.60	(0.04)	10.71	8.92	4.11
	B (i) Items that will be reclassified to profit or loss (net)	144.84	284.45	(3.70)	583.85	(95.84)	(548.35)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(36.45)	(71.59)	0.94	(146.94)	29.02	143.43
XI	<b>Total Comprehensive Income / (Loss) for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)</b>	<b>668.82</b>	<b>735.81</b>	<b>537.83</b>	<b>2,010.57</b>	<b>704.75</b>	<b>817.42</b>
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	348.90	348.90	369.83	348.90	369.83	369.83
XIII	Other equity						10,743.24
XIV	Earnings per share: (in Rs.)						
	(1) Basic	16.37	15.13	14.61	44.96	21.28	33.05
	(2) Diluted	16.29	15.10	14.61	44.88	21.27	33.05





**Notes :**

- 1 The statement of unaudited financial results for the quarter and nine months ended December 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 28, 2021. 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 Company has acquired the entire shareholding of Eclipse Global Holdings LLC (dba Personiv) headquartered in Austin, Texas, USA on December 23, 2020 through investment in its overseas subsidiary eClerx LLC, USA, for an estimated purchase consideration of USD 34 million subject to earn-out provisions over two years.
- 6 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.
- 7 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.
- 8 The Company through its subsidiary Eclerx Investments (UK) limited, incorporated Eclerx B.V. in May 2020 having its registered office in Amsterdam.
- 9 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 final rules are yet to be framed. The Company will assess and record the impact of the Code, if any, when it becomes effective.

Place: Mumbai  
Date: January 28, 2021

**For and on behalf of Board of Directors**

**Priyadarsha**  
**n Mundhra**

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**PD Mundhra**  
**Executive Director**