

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, 2021 and year to date from April 01, 2021 to September 30, 2021 (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.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

5. **Emphasis of Matter:**

We draw attention to note 7 of the standalone financial results which describes effects of change in accounting policy to account for the eClerx Employee Welfare Trust ("ESOP Trust") in the standalone financial statements of the Company. Accordingly, the figures as at March 31, 2021, April 1, 2020 and for the corresponding periods ended June 30, 2021, September 30, 2020 and year ended March 31, 2021 have been restated.

Our conclusion is not modified in respect of this 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: 21212230AAAAED7566

Mumbai

November 02, 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 HALF YEAR ENDED SEPTEMBER 30, 2021

(Rupees in million, except per share data)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Unaudited	Unaudited*	Unaudited*	Unaudited	Unaudited*	Audited*
I	Revenue from operations	3,738.93	3,437.13	2,870.91	7,176.06	5,587.49	11,974.01
II	Other income	14.00	79.49	56.16	93.49	182.83	329.61
III	Total Income (I + II)	3,752.93	3,516.62	2,927.07	7,269.55	5,770.32	12,303.62
IV	Expenses						
	Employee benefits expense	1,457.38	1,337.44	1,167.81	2,794.82	2,299.53	4,796.21
	Depreciation and amortisation expense	124.42	112.14	130.11	236.56	238.43	500.04
	Cost of technical sub-contractors	98.07	76.96	72.82	175.03	126.18	303.38
	Sales and marketing services	640.82	582.61	531.39	1,223.43	1,047.10	2,246.41
	Other expenses	245.36	262.68	259.62	508.04	543.64	1,030.11
	Finance costs	41.88	41.99	47.05	83.87	93.72	183.62
	Total expenses (IV)	2,607.93	2,413.82	2,208.80	5,021.75	4,348.60	9,059.77
V	Profit before exceptional items and tax (III-IV)	1,145.00	1,102.80	718.27	2,247.80	1,421.72	3,243.85
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	1,145.00	1,102.80	718.27	2,247.80	1,421.72	3,243.85
VIII	Tax expense	288.52	281.62	184.85	570.14	387.74	855.94
	(1) Current tax	289.58	273.13	192.89	562.71	363.07	877.73
	(2) Deferred tax	(1.06)	8.49	(8.04)	7.43	24.67	(21.79)
IX	Profit / (loss) for the period (VII-VIII)	856.48	821.18	533.42	1,677.66	1,033.98	2,387.91
X	Other Comprehensive Income / (Loss) ('OCI')	28.10	(70.50)	202.16	(42.40)	307.38	429.21
	A (i) Items that will not be reclassified to profit or loss	(24.30)	(8.55)	(14.30)	(32.85)	(28.25)	(32.01)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6.12	2.15	3.60	8.27	7.11	8.06
	B (i) Items that will be reclassified to profit or loss (net)	61.85	(85.66)	284.45	(23.81)	439.01	605.57
	(ii) Income tax relating to items that will be reclassified to profit or loss	(15.57)	21.56	(71.59)	5.99	(110.49)	(152.41)
XI	Total Comprehensive Income / (Loss) for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)	884.58	750.68	735.58	1,635.26	1,341.36	2,817.12
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	341.87	341.31	340.06	341.87	340.06	340.06
XIII	Other equity						11,486.18
XIV	Earnings per share: (in Rs.)						
	(1) Basic	25.08	24.14	15.52	49.22	29.35	68.97
	(2) Diluted	24.62	23.88	15.49	48.45	29.32	68.70

*Restated (refer note 7)



Notes :

- 1 The statement of unaudited financial results for the quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 02, 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 management 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 August 13, 2021 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 September 16, 2021. The Share Buyback Committee accordingly determined the final buyback price of Rs. 2,850 per equity share and the final amount available for Buyback is Rs.3,030 million. Further details are set out in the public announcement dated September 17, 2021 published on September 18, 2021 available on Company website viz www.eclerx.com.
- 6 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 Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess and record the impact of the Code, if any, when it becomes effective.
- 7 The Company has appointed eClerx Employee Welfare Trust ("ESOP Trust") to administer the employee stock option scheme. For the said purpose the ESOP Trust borrowed funds from the Company and purchased the Company's shares from open market for allotting the same to eligible employees. In the standalone financial statements, the Company had adopted the policy of not consolidating the ESOP Trust and thereby recognized loan given to ESOP trust as financial asset and tested it on periodic basis for impairment by considering the difference between purchase price of shares and exercise price of share options/ market price of shares as at the end of the financial period. However, in the consolidated financial statements the ESOP Trust was consolidated and the related loan/ investment and related provision for impairment appearing in the standalone financial statements of the Company were eliminated and investment in own shares of the Company is shown as treasury shares in 'other equity'.

During the quarter, the Company has changed the accounting policy to consolidate the ESOP Trust in the standalone financial statements to reflect more appropriate presentation of the activity of the ESOP Trust in the standalone financial statements as the ESOP Trust carries out activities for the benefit of the employees of the Company and its subsidiaries. Consequently, in the standalone financial statements of the Company, the loan given to ESOP Trust (including interest and provision for impairment thereof) is eliminated and investment in own equity shares that are purchased (i.e. treasury shares) are recognised at cost and disclosed as deduction from equity. This voluntary change in accounting policy of the standalone financial statements has been given effect by restating the comparative information for the preceding period. The Company also has presented a third balance sheet as at the beginning of the preceding period i.e. April 1, 2020.

This change has primarily resulted in reduction in long term loans by Rs 711.6 million (net of impairment provision) as at March 31, 2021 and April 1, 2020, reduction in equity share capital by Rs. 8.84 million as at March 31, 2021 and April 1, 2020, increase in debit balance of treasury shares of Rs. 1,069.51 million as at March 31, 2021 and April 1, 2020 and increase in retained earnings by Rs. 367.78 million and Rs. 368.03 million as at March 31, 2021 and April 1, 2020, respectively.

Consequent to accounting for treasury shares in standalone financial statements, the weighted average number of shares considered for computation of earning per share ('EPS') has reduced resulting into increase in basic and diluted EPS as follows:

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Decrease in other income	16.60	16.61	15.52	33.21	31.02	64.23
Decrease in other expense	14.35	15.85	15.29	30.20	30.63	63.39
Decrease in profit after tax for the period	2.25	0.76	0.23	3.01	0.39	1.13
Increase in basic earnings per share	0.47	0.58	0.38	1.05	0.71	1.68
Increase in diluted earnings per share	0.45	0.57	0.38	1.02	0.71	1.67

There is no material impact of the above change in policy on the restated cash flows for the periods presented in the standalone financial results. Further, there is no effect of the above change in accounting policy in the consolidated financial results.



(Rupees in million)

Particulars	As at September 30, 2021	As at March 31, 2021	As at April 01, 2020
	Unaudited	Audited*	Audited*
A. ASSETS			
1. Non current assets			
Property, plant and equipment	579.94	530.00	542.89
Right of use assets	808.55	915.17	1,018.66
Capital work-in-progress	25.24	-	2.65
Intangible assets	32.30	37.87	28.57
Financial assets			
Investments	4,867.65	4,844.79	2,373.22
Derivative instruments	25.34	25.53	-
Other financial assets	171.13	164.35	116.36
Deferred tax assets (net)	247.09	240.26	362.83
Other non-current assets	43.84	35.39	191.87
Non-current tax assets (net)	104.66	104.66	103.41
	6,905.74	6,898.02	4,740.46
2. Current assets			
Financial assets			
Investments	2,896.47	2,283.80	4,365.52
Trade receivables	1,860.26	1,943.06	1,714.14
Cash and cash equivalents	2,196.00	1,382.36	621.89
Other bank balance	1,295.43	1,111.10	1,584.28
Other financial assets	1,001.91	879.46	1,011.52
Derivative instruments	215.41	239.03	-
Other current assets	610.64	515.40	412.46
	10,076.12	8,354.21	9,709.81
TOTAL - ASSETS	16,981.86	15,252.23	14,450.27
B. EQUITY AND LIABILITIES			
1. Equity			
Equity share capital	341.87	340.06	361.00
Other equity	13,329.20	11,486.18	10,041.75
	13,671.07	11,826.24	10,402.75
2. Non current liabilities			
Financial liabilities			
Lease liabilities	918.41	1,024.37	1,123.52
Derivative instruments	-	-	96.63
Employee benefit obligations	406.94	387.25	306.07
	1,325.35	1,411.62	1,526.22
3. Current Liabilities			
Financial liabilities			
Lease liabilities	199.53	184.08	146.43
Derivative instruments	-	-	244.38
Trade payables			
Total outstanding dues of Micro enterprises and small enterprises	3.34	5.08	3.16
Total outstanding dues of creditors other than Micro enterprises and small enterprises	726.41	587.83	1,090.57
Other financial liabilities	476.90	494.04	335.10
Other current liabilities	55.16	58.29	57.32
Employee benefit obligations	421.46	595.04	621.23
Current tax liabilities (net)	102.64	90.01	23.11
	1,985.44	2,014.37	2,521.30
TOTAL - EQUITY AND LIABILITIES	16,981.86	15,252.23	14,450.27

*Restated (refer note 7)



9 Statement of Cash flow

(Rupees in million)

	Half Year ended		Year ended
	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited*	Audited*
Operating activities			
Profit before tax	2,247.80	1,421.72	3,243.85
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	236.56	238.43	500.04
Share-based payment expense	9.77	5.28	9.29
Net foreign exchange differences	0.19	26.97	14.16
Loss on sale of assets	-	3.50	3.56
Interest income on corporate rent deposits	(7.07)	(7.06)	(15.35)
Amortised cost on corporate rent deposits	8.94	7.78	16.74
Profit on sale of current investments	(31.22)	(106.00)	(224.51)
Dividend income	(0.02)	(0.03)	(0.06)
Interest income	(30.18)	(64.69)	(82.25)
Bad debts written off	1.06	2.19	1.73
Provision for doubtful debts	0.23	2.90	0.84
Finance cost	83.87	93.72	183.62
Fair value (gain) / loss on financial instruments at fair value through profit or loss	(2.99)	5.57	70.23
Other adjustments	(31.02)	(32.16)	(37.73)
	2,485.92	1,598.12	3,684.16
Working capital adjustments:			
Decrease/ (Increase) in trade receivables	81.26	(6.96)	(270.53)
(Increase)/ Decrease in other current and non current financial assets	(128.81)	275.32	84.17
(Increase)/ Decrease in other current and non current assets	(96.64)	(11.60)	52.40
(Decrease)/ Increase in employee benefit obligations	(153.89)	(202.17)	54.99
Increase/ (Decrease) in trade payables, other current and non current liabilities and provisions	125.22	(497.35)	(310.50)
Cash generated by operating activities	2,313.06	1,155.36	3,294.69
Income tax paid (Net of refunds)	(550.09)	(339.60)	(812.08)
Net cash flows generated from operating activities	1,762.97	815.76	2,482.61
Investing activities			
Proceeds from sale of current investments	4,403.00	5,609.77	11,425.77
Purchase of current investments	(4,981.46)	(4,743.35)	(9,189.78)
Purchase of non current investments	(10.00)	-	-
Investment in subsidiary during the year	(5.57)	-	(2,493.02)
Investment in bank deposits	(1,200.69)	(1,546.14)	(2,645.79)
Redemption / maturity of bank deposits	1,024.61	2,032.45	3,075.46
Unclaimed dividend and fractional share	(0.27)	0.08	(0.16)
Proceeds from sale of property, plant and equipment	0.10	0.85	0.96
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(219.99)	(240.24)	(294.28)
Dividend received	0.02	0.03	0.06
Interest received	21.91	74.69	126.60
Net cash flows generated from investing activities	(968.34)	1,188.14	5.82
Financing activities			
Money received from exercise of ESOP options	241.29	-	-
Buyback of equity shares	-	(1,095.00)	(1,095.00)
Buyback expenses	(16.43)	(9.47)	(9.47)
Tax on buyback of equity shares	-	(219.97)	(243.00)
Payment of dividend	(34.16)	(34.01)	(34.01)
Interest paid	(83.87)	(93.72)	(183.62)
Principal payment - Lease	(87.82)	(76.56)	(162.86)
Net cash flows used in financing activities	19.01	(1,528.73)	(1,727.96)
Net increase/(decrease) in cash and cash equivalents	813.64	475.17	760.47
Cash and cash equivalents at the beginning of the year /period	1,382.36	621.89	621.89
Cash and cash equivalents	2,196.00	1,097.06	1,382.36

*Restated (refer note 7)

For and on behalf of Board of Directors

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 PRIYADARSHAN
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Place: Mumbai
 Date: November 02, 2021

PD Mundhra
 Executive Director