

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, 2021 and year to date from April 01, 2021 to December 31, 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. The Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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 for the corresponding periods ended December 31, 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**

Digitally signed by VINEET KEDIA
DN: cn=VINEET KEDIA, c=IN,
o=Personal,
email=vineet.kedia@srb.in
Date: 2022.02.02 15:35:10 +05'30'

per Vineet Kedia

Partner

Membership No.: 212230

UDIN: 22212230AAAAAG9407

Mumbai

February 02, 2022

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rupees in million, except per share data)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited*	Unaudited	Unaudited*	Audited*
I	Revenue from operations	4,056.30	3,738.93	3,091.28	11,232.36	8,678.77	11,974.01
II	Other income	36.97	14.00	87.17	130.46	270.00	329.61
III	Total Income (I + II)	4,093.27	3,752.93	3,178.45	11,362.82	8,948.77	12,303.62
IV	Expenses						
	Employee benefits expense	1,552.18	1,457.38	1,249.53	4,347.00	3,549.06	4,796.21
	Depreciation and amortisation expense	135.56	124.42	130.98	372.12	369.41	500.04
	Cost of technical sub-contractors	128.91	98.07	87.82	303.94	214.00	303.38
	Sales and marketing services	680.83	640.82	654.32	1,904.26	1,701.42	2,246.41
	Other expenses	308.19	245.36	243.56	816.23	787.20	1,030.11
	Finance costs	40.49	41.88	45.90	124.36	139.62	183.62
	Total expenses (IV)	2,846.16	2,607.93	2,412.11	7,867.91	6,760.71	9,059.77
V	Profit before exceptional items and tax (III-IV)	1,247.11	1,145.00	766.34	3,494.91	2,188.06	3,243.85
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V-VI)	1,247.11	1,145.00	766.34	3,494.91	2,188.06	3,243.85
VIII	Tax expense	330.42	288.52	195.41	900.56	583.15	855.94
	(1) Current tax	334.30	289.58	229.12	897.01	592.19	877.73
	(2) Deferred tax	(3.88)	(1.06)	(33.71)	3.55	(9.04)	(21.79)
IX	Profit / (loss) for the period (VII-VIII)	916.69	856.48	570.93	2,594.35	1,604.91	2,387.91
X	Other Comprehensive Income / (Loss) ('OCI')	32.44	28.10	97.67	(9.96)	405.05	429.21
A	(i) Items that will not be reclassified to profit or loss	5.76	(24.30)	(14.32)	(27.09)	(42.57)	(32.01)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.45)	6.12	3.60	6.82	10.71	8.06
B	(i) Items that will be reclassified to profit or loss (net)	37.59	61.85	144.84	13.78	583.85	605.57
	(ii) Income tax relating to items that will be reclassified to profit or loss	(9.46)	(15.57)	(36.45)	(3.47)	(146.94)	(152.41)
XI	Total Comprehensive Income / (Loss) for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)	949.13	884.58	668.60	2,584.39	2,009.96	2,817.12
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	331.16	341.87	340.06	331.16	340.06	340.06
XIII	Other equity						11,486.18
XIV	Earnings per share: (in Rs.)						
	(1) Basic	27.29	25.08	16.79	76.49	46.09	68.97
	(2) Diluted	26.78	24.62	16.71	75.18	46.00	68.70

*Restated (refer note 7)



Notes :

- 1 The statement of unaudited financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 02, 2022. 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 August 13, 2021 approved, subject to the shareholders' approval, buyback of equity shares of the Company for an aggregate amount not exceeding Rs. 3,030 million at a buyback price not exceeding Rs. 3,200 per equity share from the shareholders/beneficial owners of the company. The shareholders' approval was procured vide postal ballot, results of which were announced on September 16, 2021 and the Company concluded the said buyback of 1,063,157 equity shares of Rs 10 each at the buyback price of Rs. 2,850 per share, as approved by the Buy Back Committee at its meeting dated September 17, 2021 and the total buy back amount of Rs. 3,030 million. The settlement date for the said buyback was November 9, 2021. 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. 27.84 million and buy back tax of Rs. 665.54 million.
- 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 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.
- 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 ended September 30, 2021, the Company 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.

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:

(Rupees in million, except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2021	September 30, 2021	December 31, 2020	December 31, 2021	December 31, 2020	March 31, 2021
Decrease in other income	15.77	16.60	16.60	48.98	47.62	64.23
Decrease in other expense	17.36	14.35	16.38	47.55	47.01	63.39
Increase/(decrease) in profit after tax for the period	0.72	(2.25)	(0.22)	(2.30)	(0.61)	(1.13)
Increase in basic earnings per share	0.57	0.47	0.42	1.63	1.12	1.68
Increase in diluted earnings per share	0.55	0.45	0.41	1.58	1.12	1.67

There is no effect of the above change in accounting policy in the consolidated financial results.

For and on behalf of Board of Directors

PRIYADARS
HAN
MUNDHRA
Digitally signed by
PRIYADARSHAN
MUNDHRA
Date: 2022.02.02
14:59:11 +05'30'

Place: Mumbai
Date: February 02, 2022

PD Mundhra
Executive Director