Price Waterhouse Chartered Accountants LLP

Review Report

Date: November 05, 2024

To
The Board of Directors
eClerx Services Limited
Sonawala Building,
1st Floor, 29, Bank Street, Fort,
Mumbai – 400 023

1. We have reviewed the unaudited standalone financial results of eClerx Services Limited (the "Company" including eClerx Employee Welfare Trust) for the quarter ended September 30, 2024 and the year to date results for the period April 01, 2024 to September 30, 2024, which are included in the accompanying Statement of Standalone Unaudited Financial Results for the Quarter and Half year ended September 30, 2024, Statement of standalone assets and liabilities as on that date and the Statement of standalone cash flows for the half-year ended September 30, 2024 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been digitally signed by us for identification purposes.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, 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 Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, New Delhi - 110002

5. (a) The standalone financial results of the Company for the quarter ended September 30, 2023 and the year to date results for the period April 01, 2023 to September 30, 2023 were reviewed by another firm of chartered accountants who issued their unmodified conclusion, vide their report dated November 09, 2023.

   (b) The standalone financial statements of the Company for the year ended March 31, 2024 was audited by another firm of Chartered Accountants, who issued an unmodified opinion vide their report dated May 16, 2024.

   (c) The standalone financial results of the Company for the quarter ended June 30, 2024 were reviewed by another firm of chartered accountants who, vide their report dated August 13, 2024, expressed an unmodified conclusion on those financial results.

   Our conclusion is not modified in respect of these matters.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

NEERAJ BALKRISHAN SHARMA
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Neeraj Sharma
Partner
Membership Number: 108391
UDIN: 24108391BKCZHA9060

Place: Mumbai
Date: November 05, 2024

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, 2024

(Rupees in million, except per share data)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	March 31, 2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	6,124.37	5,686.74	5,088.34	11,811.11	10,040.13	20,948.30
II	Other income	95.70	138.12	99.64	233.82	157.64	451.07
III	**Total Income (I + II)**	**6,220.07**	**5,824.86**	**5,187.98**	**12,044.93**	**10,197.77**	**21,399.37**
IV	**Expenses**						
	Employee benefits expense	2,651.08	2,629.30	2,122.63	5,280.38	4,253.88	8,851.52
	Sales and marketing services	1,179.08	1,166.88	1,038.11	2,345.96	2,053.16	3,993.17
	Cost of technical sub-contractors	232.89	185.32	192.09	418.21	366.01	661.84
	Depreciation and amortisation expense	186.11	176.13	151.26	362.24	290.33	639.15
	Finance costs	72.76	67.47	48.06	140.23	94.79	187.13
	Other expenses	585.15	664.80	460.92	1,249.95	907.12	2,267.93
	Total expenses (IV)	**4,907.07**	**4,889.90**	**4,013.07**	**9,796.97**	**7,965.29**	**16,600.74**
V	Profit before exceptional items and tax (III-IV)	1,313.00	934.96	1,174.91	2,247.96	2,232.48	4,798.63
VI	Exceptional items	-	-	-	-	-	-
VII	**Profit before tax (V-VI)**	**1,313.00**	**934.96**	**1,174.91**	**2,247.96**	**2,232.48**	**4,798.63**
VIII	Tax expense	336.74	231.30	309.22	568.04	568.81	1,228.20
	(1) Current tax	353.69	239.43	302.97	593.12	561.95	1,238.32
	(2) Deferred tax	(16.95)	(8.13)	6.25	(25.08)	6.86	(10.12)
IX	**Profit / (loss) for the period (VII-VIII)**	**976.26**	**703.66**	**865.69**	**1,679.92**	**1,663.67**	**3,570.43**
X	Other Comprehensive Income / (Loss) ('OCI')	(96.36)	18.38	(95.01)	(77.98)	84.36	143.01
	A (i) Items that will not be reclassified to profit or loss (net)	(13.84)	(15.77)	3.42	(29.61)	(12.53)	(44.21)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.48	3.97	(0.86)	7.45	3.15	11.13
	B (i) Items that will be reclassified to profit or loss (net)	(114.92)	40.33	(130.38)	(74.59)	125.27	235.31
	(ii) Income tax relating to items that will be reclassified to profit or loss	28.92	(10.15)	32.81	18.77	(31.53)	(59.22)
XI	**Total Comprehensive Income / (Loss) for the period (IX+X) (Comprising Profit and Other Comprehensive Income for the period)**	**879.90**	**722.04**	**770.68**	**1,601.94**	**1,748.03**	**3,713.44**
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	469.72	483.22	481.98	469.72	481.98	482.32
XIII	Other equity						14,641.34
XIV	Earnings per share: (in Rs.) (refer note 5)						
	(1) Basic	20.65	14.58	17.95	35.17	34.55	74.11
	(2) Diluted	20.29	14.32	17.73	34.56	34.11	72.86

Notes :

1 The statement of standalone unaudited financial results for the quarter and half year ended September 30, 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 05, 2024. 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 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.

4 The Board of Directors vide their meeting dated May 16, 2024 approved, subject to shareholders' approval, buyback of equity shares of the Company for an aggregate amount not exceeding Rs. 3,850 million excluding transaction costs at a buyback price of Rs. 2,800 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 June 24, 2024 and the Company concluded the said buyback of 1,375,000 equity shares of Rs. 10 each at the buyback price of Rs. 2,800 per share and the total buy back amount of Rs. 3,850 million. The settlement date for the said buyback was July 22, 2024. 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. 36.52 million and buy back tax of Rs. 849.66 million.

5 The financial results of eClerx Employee Welfare Trust have been included in the standalone financial results of the Company in accordance with the requirements of IND AS. While computing basic and diluted earnings per share, weighted average number of equity shares held by trust have been reduced.

6 Figures for the previous period have been regrouped wherever necessary to conform to those of the current period.

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eClerx Services Limited
Mumbai

7 Statement of standalone assets and liabilities

(Rupees in million)

Particulars	As at September 30, 2024	As at March 31, 2024
	Unaudited	**Audited**
A. ASSETS		
1. Non current assets		
Property, plant and equipment	821.56	817.99
Right of use assets	1,945.37	1,721.51
Capital work-in-progress	195.03	5.80
Intangible assets	13.75	14.25
Financial assets		
Investments	4,660.70	4,588.61
Derivative instruments	3.98	20.74
Other financial assets	201.56	211.41
Deferred tax assets (net)	389.07	337.76
Other non-current assets	109.98	73.45
Non-current tax assets (net)	157.19	202.30
	8,498.19	**7,993.82**
2. Current assets		
Financial assets		
Investments	1,903.46	3,403.97
Trade receivables		
Billed	3,411.55	3,369.50
Unbilled	1,824.44	1,750.55
Cash and cash equivalents	1,241.22	686.10
Other bank balance	6.23	2,388.23
Other financial assets	54.50	124.03
Derivative instruments	72.45	107.04
Other current assets	704.57	646.96
	9,218.42	**12,476.38**
TOTAL - ASSETS	**17,716.61**	**20,470.20**
B. EQUITY AND LIABILITIES		
1. Equity		
Equity share capital	469.72	482.32
Other equity	11,545.51	14,641.34
	12,015.23	**15,123.66**
2. Non current liabilities		
Financial liabilities		
Lease liabilities	2,058.45	1,765.66
Derivative instruments	19.25	5.61
Employee benefit obligations	527.27	465.41
	2,604.97	**2,236.68**
3. Current Liabilities		
Financial liabilities		
Lease liabilities	228.52	226.06
Derivative instruments	19.88	10.28
Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,745.38	1,599.85
Other financial liabilities	31.32	42.16
Other current liabilities	320.73	372.24
Employee benefit obligations	681.19	850.75
Current tax liabilities (net)	69.39	8.52
	3,096.41	**3,109.86**
TOTAL - EQUITY AND LIABILITIES	**17,716.61**	**20,470.20**

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eClerx Services Limited
Mumbai

8 **Statement of standalone Cash flows**

(Rupees in million)

	Half Year ended	
	September 30, 2024	September 30, 2023
	Unaudited	Unaudited
Operating activities		
Profit before tax	2,247.96	2,232.48
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	362.24	290.33
Share-based payment expense	161.11	6.20
Net foreign exchange differences	(1.08)	(10.41)
Gain on sale of assets	(6.28)	(4.97)
Interest income on corporate rent deposits	(7.91)	(9.02)
Amortised cost on corporate rent deposits	8.85	7.86
Profit on sale of current investments	(47.05)	(55.98)
Interest income	(66.36)	(10.35)
Bad debts written off	-	0.72
Provision for doubtful debts	0.86	0.77
Finance cost	140.23	94.79
Fair value (gain) / loss on financial instruments at fair value through profit or loss	(26.64)	(25.51)
Gain on lease modifications	0.39	(12.12)
Other adjustments	(29.64)	(12.58)
	2,736.68	**2,492.21**
Working capital adjustments:		
Decrease/ (Increase) in trade receivables	(120.19)	262.43
Decrease/ (Increase) in other current and non current financial assets	78.44	92.02
Increase in other current and non current assets	(101.52)	(167.97)
(Decrease)/ Increase in employee benefit obligations	(107.70)	(176.90)
Increase/ (Decrease) in trade payables, other current and non current liabilities and provisions	84.49	120.87
Cash generated by operating activities	**2,570.20**	**2,622.66**
Income tax paid (Net of refunds)	(487.12)	(534.21)
Net cash flows generated from operating activities	**2,083.08**	**2,088.45**
Investing activities		
Proceeds from sale of current investments	12,795.12	6,434.19
Purchase of current investments	(11,221.64)	(6,263.50)
Purchase of non current investments	(5.00)	(8.00)
Investment in bank deposits	(2.00)	(2,163.04)
Redemption / maturity of bank deposits	2,384.00	86.24
Unclaimed dividend and fractional share	-	-
Proceeds from sale of property, plant and equipment	35.48	6.20
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(429.69)	(182.47)
Interest received	66.36	3.18
Net cash flows (used in)/generated from investing activities	**3,622.63**	**(2,087.20)**
Financing activities		
Money received from exercise of ESOP options	212.76	80.56
Purchase of treasury shares by eClerx welfare trust	(391.10)	(125.14)
Buyback of equity shares*	(3,839.11)	-
Buyback expenses	(33.91)	(5.71)
Tax on buyback of equity shares*	(839.54)	-
Payment of dividend	(46.95)	(48.22)
Interest paid	(140.23)	(94.79)
Principal payment - Lease	(75.65)	(102.34)
Net cash flows used in financing activities	**(5,153.73)**	**(295.64)**
Effect of exchange fluctuation on cash and cash equivalents	**3.14**	**7.67**
Net increase /(decrease) in cash and cash equivalents	**555.12**	**(286.72)**
Cash and cash equivalents at the beginning of the period	686.10	1,355.87
Cash and cash equivalents at the end of the period	**1,241.22**	**1,069.15**

*Net after elimination of amount pertaining to buyback of shares held by eClerx Employee Welfare Trust

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For and on behalf of Board of Directors

KAPIL JAIN
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Place: Mumbai
Date: November 05, 2024

Kapil Jain
Managing Director & Group CEO