

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
Board of Directors of eClerx Services Limited

Report on the audit of the Consolidated Financial Results**Opinion**

We have audited the accompanying statement of quarterly and year to date consolidated financial results of eClerx Services Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and financial information of the subsidiaries, the Statement:

- i. includes the results of the entities mentioned in the Annexure to this report;
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of 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 respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are



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reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

eClerx Services Limited

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information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs 3,382.86 million as at March 31, 2023, total revenues of Rs 619.04 million and Rs 2,203.94 million, total net profit after tax of Rs. 61.56 million and Rs. 199.24 million, total comprehensive income of Rs. 68.78 million and Rs. 219.80 million, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 185.32 million for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditors. The independent auditor's report on the financial statements and other financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above. Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Vineet Kedia

Partner

Membership No.: 212230

UDIN: 23 212230 BGSSEX 168

Mumbai

May 25, 2023



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

eClerx Services Limited Independent auditor's report

Annexure to the Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Sr. No.	Name of subsidiaries
1	eClerx LLC
2	eClerx Limited
3	eClerx Private Limited
4	eClerx Investments (UK) Limited
5	eClerx Canada Limited
6	CLX Europe S.P.A
7	CLX Europe Media Solution GmbH
8	CLX Europe Media Solution Limited
9	CLX Thai Company Limited
10	eClerx Employee Welfare Trust
11	eClerx B.V.
12	Eclipse Global Holdings LLC
13	eClerx Pty Ltd
14	ASEC Group, LLC
15	Personiv Contact Centers LLC
16	Personiv Contact Centers India Private Limited
17	AG Resources (India) Private Limited
18	AGR Operations Manila Inc



ECLERX SERVICES LIMITED
CIN : L72200MH2000PLC125319

Regd. Office : Sonawala Building, 1st Floor, 29, Bank Street, Fort, Mumbai - 400 023

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in million, except per share data)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
		Audited*	Unaudited	Audited*	Audited	Audited
I	Revenue from operations	6,931.01	6,866.67	5,916.65	26,478.97	21,603.45
II	Other income	50.85	178.88	99.01	659.51	246.18
III	Total Income (I + II)	6,981.86	7,045.55	6,015.66	27,138.48	21,849.63
IV	Expenses					
	Employee benefits expense	3,836.90	3,859.70	3,297.54	15,095.25	11,955.37
	Depreciation and amortisation expense	318.57	299.02	279.39	1,140.14	1,031.93
	Cost of technical sub-contractors	277.52	334.21	239.10	1,106.35	824.83
	Other expense	747.40	767.33	560.36	3,055.22	2,217.43
	Finance cost	56.52	52.82	52.05	211.62	215.20
	Total expenses (IV)	5,236.91	5,313.08	4,428.44	20,608.58	16,244.76
V	Profit before exceptional items and tax (III-IV)	1,744.95	1,732.47	1,587.22	6,529.90	5,604.87
VI	Exceptional items	-	-	-	-	-
VII	Profit before tax	1,744.95	1,732.47	1,587.22	6,529.90	5,604.87
VIII	Tax expense	421.41	419.48	403.22	1,638.09	1,427.29
	(1) Current tax	447.49	437.63	413.20	1,741.24	1,497.23
	(2) Deferred tax	(26.08)	(18.15)	(9.98)	(103.15)	(69.94)
IX	Profit for the period (VII-VIII)	1,323.54	1,312.99	1,184.00	4,891.81	4,177.58
	Attributable to:					
	Shareholders of the Company	1,325.46	1,311.57	1,187.59	4,888.20	4,174.01
	Non controlling interest	(1.92)	1.42	(3.59)	3.61	3.57
X	Profit for the period (IX)	1,323.54	1,312.99	1,184.00	4,891.81	4,177.58
XI	Other Comprehensive Income / (Loss) ('OCI')	204.11	423.02	(9.18)	255.54	29.77
	A (i) Items that will not be reclassified to profit or loss	(13.40)	(12.25)	10.95	(18.67)	(16.14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3.33	3.06	(3.06)	4.63	3.76
	B (i) Items that will be reclassified to profit or loss (net)	280.95	444.34	(46.13)	197.53	16.56
	(ii) Income tax relating to items that will be reclassified to profit or loss	(66.77)	(12.13)	29.06	72.05	25.59
XII	Total Comprehensive Income for the period (X+XI) (Comprising Profit and Other Comprehensive Income for the period)	1,527.65	1,736.01	1,174.82	5,147.35	4,207.35
	Attributable to:					
	Shareholders of the Company	1,529.57	1,734.59	1,178.41	5,143.74	4,203.78
	Non controlling interest	(1.92)	1.42	(3.59)	3.61	3.57
XIII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	480.34	496.34	330.98	480.34	330.98
XIV	Other equity				16,685.20	15,357.18
XV	Earnings per share: (in Rs.)					
	(1) Basic	27.05	26.41	23.91	98.76	82.54
	(2) Diluted	26.66	26.01	23.44	97.15	81.05

*Refer note 3



Notes :

- 1 The statement of audited financial results for the quarter and year ended March 31, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 25, 2023. There are no qualifications in the audit report issued by the auditors.
- 2 These consolidated financial results have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder.
- 3 The figures for the three month period ended March 31, 2023 and March 31, 2022 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2023 and March 31, 2022 respectively and unaudited published year- to-date figures up to December 31, 2022 and December 31, 2021 respectively, being the end of the third quarter of the respective financial years, which were subject to limited review.
- 4 The Group 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 Group operates are similar in nature.
- 5 The Shareholders of the Company, approved the issue of Bonus Equity Shares in the proportion of one new fully paid up equity share of Rs. 10 each for every existing two equity shares of Rs. 10 each via postal ballot, result of which was announced on September 12, 2022. Consequently, the Company has issued 16,913,215 fully paid equity shares and the paid up equity share capital has been increased by Rs. 169.13 million and the EPS has been accordingly restated for all periods presented to give the effect of bonus equity shares. Also, the authorised share capital of the Company was increased from Rs. 500.10 million to Rs 1,000.00 million consisting of 100,000,000 equity shares of face value of Rs. 10 each.
- 6 The Board of Directors vide their meeting dated November 10, 2022 approved, subject to shareholders' approval, buyback of equity shares of the Company for an aggregate amount not exceeding Rs. 3,000 million at a buyback price not exceeding Rs. 1,900 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 December 14, 2022 and the Company concluded the said buyback of 1,714,285 equity shares of Rs. 10 each at the buyback price of Rs. 1,750 per share as approved by the Buy Back Committee at its meeting dated December 15, 2022 and the total buy back amount of Rs. 3,000 million. The settlement date for the said buyback was February 24, 2023. 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. 29.84 million and buy back tax of Rs. 632.00 million.
- 7 The Board of Directors have recommended a final dividend of Re. 1 per Equity Share of Rs. 10 each for the financial year 2022-23.
- 8 Figures for the previous year have been regrouped wherever necessary to conform to those of the current year.



9 Statement of assets and liabilities

(Rupees in million)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Audited	Audited
A. ASSETS		
1. Non current assets		
Property, plant and equipment	1,060.49	921.85
Right of use assets	1,529.60	1,194.08
Capital work in progress	208.15	21.68
Goodwill on consolidation	3,959.83	3,753.47
Other intangible assets	1,175.15	1,256.22
Financial assets		
Investments	123.27	19.58
Derivative instruments	4.58	24.59
Other financial assets	287.27	247.03
Deferred tax assets (net)	541.37	379.92
Other non - current assets	55.11	37.91
Non-current tax assets (net)	218.50	143.72
	9,163.32	8,000.05
2. Current assets		
Inventories	4.54	5.23
Financial assets		
Investments	2,621.79	1,939.21
Trade receivables	4,404.87	3,292.71
Cash and cash equivalents	4,180.07	4,203.02
Other bank balances	99.22	733.41
Other financial assets	1,974.36	1,760.35
Derivative instruments	-	138.27
Other current assets	410.34	626.89
Current tax assets (net)	18.93	-
	13,714.12	12,699.09
TOTAL - ASSETS	22,877.44	20,699.14
B. EQUITY AND LIABILITIES		
1. Equity		
Equity Share capital	480.34	330.98
Other Equity	16,668.37	15,344.94
Total Equity attributable to shareholders of the Company	17,148.71	15,675.92
Non-controlling interests	16.83	12.24
Total Equity	17,165.54	15,688.16
2. Non current liabilities		
Financial liabilities		
Lease liabilities	1,501.92	1,264.84
Borrowings	6.77	0.50
Employee benefit obligations	548.55	544.45
Deferred tax liabilities (net)	138.40	147.34
Other non - current liabilities	13.85	35.24
	2,209.49	1,992.37
3. Current liabilities		
Financial liabilities		
Lease liabilities	423.81	364.99
Derivative instruments	128.00	-
Borrowings	3.08	0.91
Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	0.13	4.61
Total outstanding dues of creditors other than Micro enterprises and small enterprises	180.34	161.94
Other financial liabilities	607.23	525.96
Other current liabilities	694.17	570.44
Employee benefit obligations	1,367.11	1,287.30
Current tax liabilities (net)	98.54	102.46
	3,502.41	3,018.61
TOTAL - EQUITY AND LIABILITIES	22,877.44	20,699.14



10 Statement of Cash flow

(Rupees in Million)

	Year ended	
	March 31, 2023	March 31, 2022
	Audited	Audited
Operating activities		
Profit before tax	6,529.90	5,604.87
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1,140.14	1,031.93
Share-based payment expense	74.40	42.26
Net foreign exchange differences	(95.79)	12.53
Loss on sale of assets	(4.25)	2.33
Interest income on corporate rent deposits	(28.26)	(21.28)
Amortised cost on corporate rent deposits	19.30	18.23
Profit on sale of current investments	(106.84)	(57.24)
Dividend income	(0.02)	(0.03)
Interest income	(59.49)	(44.81)
Bad debts written off	(0.96)	1.22
Provision for doubtful debts	6.72	3.80
Finance cost	211.62	215.20
Gain on lease modification	(54.60)	-
Fair value loss/ (gain) on financial instruments at fair value through profit or loss	(36.71)	(8.76)
Other adjustments	(14.80)	(14.99)
	7,580.36	6,785.26
Working capital adjustments:		
Increase in trade receivables	(1,124.01)	(373.84)
Decrease/(Increase) in inventories	0.69	(2.04)
Increase in other current and non current financial assets	(251.22)	(757.54)
Decrease in other current and non current assets	220.12	50.60
Increase in employee benefit obligations	83.90	228.42
Increase in trade payables, other current and non current liabilities and provisions	197.93	150.45
Cash generated by operating activities	6,707.77	6,081.31
Payment of domestic and foreign taxes (net of refunds)	(1,782.03)	(1,641.70)
Net cash flows generated from operating activities	4,925.74	4,439.61
Investing activities		
Proceeds from sale of current investments	15,477.19	11,969.77
Purchase of current investments	(16,017.13)	(11,556.36)
Purchase of non-current investments	(102.77)	(20.00)
Investment in bank deposits (having original maturity of more than three months)	(1,078.83)	(1,455.48)
Redemption / maturity of bank deposits (having original maturity of more than three months)	1,713.75	2,142.73
Unclaimed dividend paid	(0.18)	(0.29)
Payment towards acquisition of business, net of cash acquired	-	(137.98)
Proceeds from sale of property, plant and equipment	7.02	3.17
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(907.59)	(608.41)
Dividend received	0.02	0.03
Interest received	64.57	42.65
Net cash flows (used in)/ generated from investing activities	(843.95)	379.83
Financing activities		
Money received from exercise of options	218.62	281.96
Purchase of treasury shares by eClerx Employee Welfare Trust	(383.42)	(170.48)
Buyback of equity shares*	(2,957.60)	(2,976.61)
Buyback expenses	(29.84)	(27.88)
Tax on buyback of equity shares*	(621.11)	(654.50)
Payment of dividend	(33.11)	(34.16)
Bank loan repaid	8.19	(3.51)
Interest paid	(211.37)	(215.20)
Principal payment - Lease	(391.04)	(363.01)
Net cash flows used in financing activities	(4,400.68)	(4,163.39)
Effect of exchange fluctuation on cash and cash equivalents	295.94	56.77
Net (decrease) / increase in cash and cash equivalents	(22.95)	712.82
Cash and cash equivalents at the beginning of the year	4,203.02	3,490.20
Cash and cash equivalents at the end of the year	4,180.07	4,203.02

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



- 11 The standalone financial results of the Company would be available for perusal on the Company's website viz www.eclerx.com. Key standalone financial information is given below.

(Rupees in million)

Particulars	Quarter ended			Year ended	
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
	Audited*	Unaudited	Audited*	Audited	Audited
Revenue from operations	5,005.70	4,881.07	4,280.76	18,881.61	15,513.12
Profit before tax	1,401.80	1,405.72	1,273.27	5,039.98	4,768.18
Profit after tax	1,069.22	1,055.56	954.61	3,784.02	3,548.96

*Refer note 3

For and on behalf of Board of Directors

PRIYADARSHA N MUNDHRA

PD Mundhra
Whole-Time Director

Place: Mumbai
Date: May 25, 2023