

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone 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 Standalone Financial Results****Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company 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) 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 Standalone Financial Results" section of our report. We are independent of the Company 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 is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are 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.



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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone 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 Company's ability 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 financial results 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 Company 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 represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**eClerx Services Limited**

**Independent auditor's report**

## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure 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 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: 23212230 BGSS EW 8848

Mumbai

May 25, 2023



**ECLERX SERVICES LIMITED**

CIN: L72200MH2000PLC125319

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

**STATEMENT OF STANDALONE 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	5,005.70	4,881.07	4,280.76	18,881.61	15,513.12
II	Other income	58.60	209.19	75.02	567.19	205.48
III	<b>Total Income (I + II)</b>	<b>5,064.30</b>	<b>5,090.26</b>	<b>4,355.78</b>	<b>19,448.80</b>	<b>15,718.60</b>
IV	<b>Expenses</b>					
	Employee benefits expense	2,017.06	2,080.76	1,701.72	7,976.89	6,048.72
	Depreciation and amortisation expense	167.53	151.86	144.57	587.31	516.69
	Cost of technical sub-contractors	159.92	234.00	143.64	793.24	447.58
	Sales and marketing services	874.91	792.37	749.50	3,344.87	2,653.76
	Other expense	398.71	385.03	303.20	1,544.11	1,119.43
	Finance cost	44.37	40.52	39.88	162.40	164.24
	<b>Total expenses (IV)</b>	<b>3,662.50</b>	<b>3,684.54</b>	<b>3,082.51</b>	<b>14,408.82</b>	<b>10,950.42</b>
V	Profit before exceptional items and tax (III-IV)	1,401.80	1,405.72	1,273.27	5,039.98	4,768.18
VI	Exceptional items	-	-	-	-	-
VII	<b>Profit before tax (V-VI)</b>	<b>1,401.80</b>	<b>1,405.72</b>	<b>1,273.27</b>	<b>5,039.98</b>	<b>4,768.18</b>
VIII	<b>Tax expense</b>	<b>332.58</b>	<b>350.16</b>	<b>318.66</b>	<b>1,255.96</b>	<b>1,219.22</b>
	(1) Current tax	367.22	351.83	318.43	1,290.54	1,215.44
	(2) Deferred tax	(34.64)	(1.67)	0.23	(34.58)	3.78
IX	<b>Profit for the period (VII-VIII)</b>	<b>1,069.22</b>	<b>1,055.56</b>	<b>954.61</b>	<b>3,784.02</b>	<b>3,548.96</b>
X	Other Comprehensive Income / (Loss) ('OCI')	192.60	27.00	(77.26)	(224.00)	(87.22)
A	(i) Items that will not be reclassified to profit or loss	(7.91)	(12.13)	12.23	(13.06)	(14.86)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1.99	3.06	(3.08)	3.29	3.74
B	(i) Items that will be reclassified to profit or loss (net)	265.29	48.20	(115.47)	(286.28)	(101.69)
	(ii) Income tax relating to items that will be reclassified to profit or loss	(66.77)	(12.13)	29.06	72.05	25.59
XI	<b>Total Comprehensive Income for the period (IX+X)</b> <b>(Comprising Profit and Other Comprehensive Income for the period)</b>	<b>1,261.82</b>	<b>1,082.56</b>	<b>877.35</b>	<b>3,560.02</b>	<b>3,461.74</b>
XII	Paid up equity share capital (Face value of Rs. 10 each, fully paid up)	480.34	496.34	330.98	480.34	330.98
XIII	Other equity				11,108.08	11,414.27
XIV	Earnings per share: (in Rs.)					
	(1) Basic	21.82	21.26	19.22	76.45	70.18
	(2) Diluted	21.50	20.93	18.84	75.21	68.91

\*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 financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) 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 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 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.



(Rupees in million)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Audited	Audited
<b>A. ASSETS</b>		
<b>1. Non current assets</b>		
Property, plant and equipment	574.96	568.36
Right of use assets	977.64	752.44
Capital work-in-progress	202.56	21.68
Intangible assets	20.42	37.25
Financial assets		
Investments	4,468.56	4,892.69
Derivative instruments	4.58	24.59
Other financial assets	217.05	187.76
Deferred tax assets (net)	375.73	266.48
Other non-current assets	55.11	37.91
Non-current tax assets (net)	200.38	141.17
	<b>7,096.99</b>	<b>6,930.33</b>
<b>2. Current assets</b>		
Financial assets		
Investments	2,289.41	1,939.21
Trade receivables	3,228.41	2,362.74
Cash and cash equivalents	1,355.87	1,451.97
Other bank balance	87.71	718.20
Other financial assets	1,716.30	1,447.35
Derivative instruments	-	138.27
Other current assets	193.10	468.18
	<b>8,870.80</b>	<b>8,525.92</b>
<b>TOTAL - ASSETS</b>	<b>15,967.79</b>	<b>15,456.25</b>
<b>B. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
Equity share capital	480.34	330.98
Other equity	11,108.08	11,414.27
	<b>11,588.42</b>	<b>11,745.25</b>
<b>2. Non current liabilities</b>		
Financial liabilities		
Lease liabilities	994.03	852.57
Employee benefit obligations	337.80	357.40
Deferred tax liabilities (net)	-	0.67
	<b>1,331.83</b>	<b>1,210.64</b>
<b>3. Current Liabilities</b>		
Financial liabilities		
Lease liabilities	252.51	215.49
Derivative instruments	128.00	-
Trade payables		
Total outstanding dues of Micro enterprises and small enterprises	0.13	3.28
Total outstanding dues of creditors other than Micro enterprises and small enterprises	938.96	788.54
Other financial liabilities	334.44	307.65
Other current liabilities	572.07	410.97
Employee benefit obligations	819.62	774.15
Current tax liabilities (net)	1.81	0.28
	<b>3,047.54</b>	<b>2,500.36</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>15,967.79</b>	<b>15,456.25</b>





## 10 Statement of Cash flow

(Rupees in million)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
	Audited	Audited
<b>Operating activities</b>		
Profit before tax	5,039.98	4,768.18
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	587.31	516.69
Share-based payment expense	12.46	13.81
Net foreign exchange differences	(118.52)	(35.82)
Interest income on corporate rent deposits	(24.60)	(17.07)
Amortised cost on corporate rent deposits	19.30	18.23
Profit on sale of current investments	(106.07)	(57.24)
Dividend income	(0.02)	(0.03)
Interest income	(50.68)	(43.95)
Bad debts written off	0.12	1.22
Provision/ (reversal of provision) for doubtful debts	4.77	(0.19)
Finance cost	162.40	164.24
Fair value (gain) / loss on financial instruments at fair value through profit or loss	(32.85)	(8.76)
Gain on lease modifications	(54.60)	-
Other adjustments	(13.07)	(14.86)
	<b>5,425.93</b>	<b>5,304.45</b>
<b>Working capital adjustments:</b>		
Increase in trade receivables	(876.64)	(427.04)
Decrease/(Increase) in other current and non current financial assets	278.65	(592.53)
(Increase)/Decrease in other current and non current assets	(298.87)	45.56
Increase in employee benefit obligations	25.87	149.25
Increase in trade payables, other current and non current liabilities and provisions	335.68	373.83
<b>Cash generated by operating activities</b>	<b>4,890.62</b>	<b>4,853.52</b>
Income tax paid (Net of refunds)	(1,342.81)	(1,341.68)
<b>Net cash flows generated from operating activities</b>	<b>3,547.81</b>	<b>3,511.84</b>
<b>Investing activities</b>		
Proceeds from sale of current investments	15,405.82	11,969.77
Purchase of current investments	(15,618.02)	(11,556.36)
Purchase of non-current investments	(20.00)	(20.00)
Investment in subsidiaries during the year	-	(5.57)
Redemption of preference shares of subsidiary	516.77	-
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)	1,707.72	1,850.61
Unclaimed dividend paid	(0.18)	(0.29)
Proceeds from sale of property, plant and equipment	1.87	0.51
Purchase of property, plant, equipment and intangibles (including capital work in progress)	(554.15)	(381.23)
Dividend received	0.02	0.03
Interest received	58.21	41.79
<b>Net cash flows generated from investing activities</b>	<b>419.23</b>	<b>443.78</b>
<b>Financing activities</b>		
Money received from exercise of ESOP options	218.62	281.96
Purchase of treasury shares by eClerx Employees 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)
Interest paid	(162.40)	(164.24)
Principal payment - Lease	(218.57)	(182.20)
<b>Net cash flows used in financing activities</b>	<b>(4,187.43)</b>	<b>(3,928.11)</b>
Effect of exchange fluctuation on cash and cash equivalents	<b>124.29</b>	<b>42.10</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(96.10)</b>	<b>69.61</b>
Cash and cash equivalents at the beginning of the year	1,451.97	1,382.36
<b>Cash and cash equivalents at the end of the year</b>	<b>1,355.87</b>	<b>1,451.97</b>

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

For and on behalf of Board of Directors

PRIYADAR SHAN MUNDHRA  
Digitally signed by  
PRIYADARSHAN  
MUNDHRA  
Date: 2023.05.25  
17:32:58 +05'30'

PD Mundhra  
Whole-Time Director

Place: Mumbai  
Date: May 25, 2023