



precise processes  
passionate people

# Contents

02 Performance  
at a Glance

03 Operational  
Highlights

10 Global  
Presence

12 eClerx  
Cares

17 Directors'  
Report

28 Management  
Discussion and Analysis

56 Standalone  
Financial Statements

80 Balance Sheet Abstract  
and Company's General  
Business Profile

102 Notice of the  
Eleventh Annual  
General Meeting

121 Email Registration  
under Green Initiative



04 Core2Clients

08 Chairman's  
Message

14 Board of  
Directors

16 Corporate  
Information

37 Corporate  
Governance Report

53 Auditors' Report on  
Standalone Financials

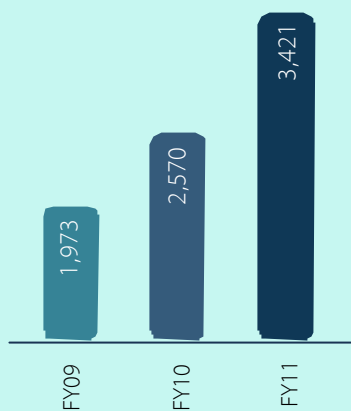
81 Auditor's Report on  
Consolidated Financials

82 Consolidated  
Financial Statements

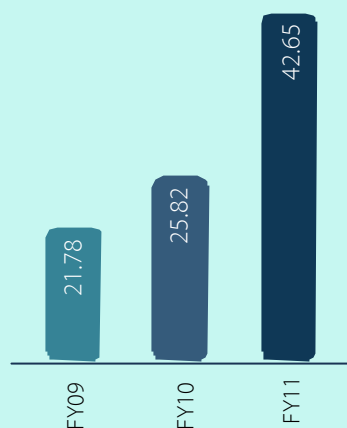
123 Proxy Form and  
Attendance Slip

# Performance at a Glance

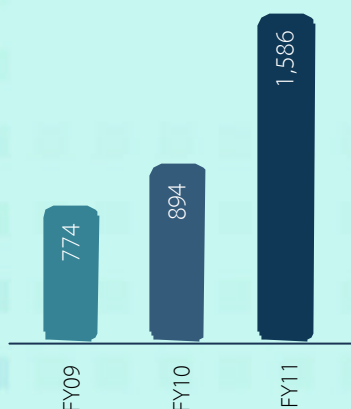
OPERATING  
REVENUE (₹ Mn.)  
+33% YoY growth



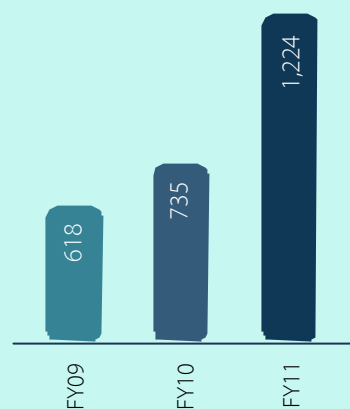
EARNINGS PER  
SHARE (₹)  
+65% YoY growth



EBIDTA (₹ Mn.)  
+77% YoY growth



PAT (₹ Mn.)  
+67% YoY growth



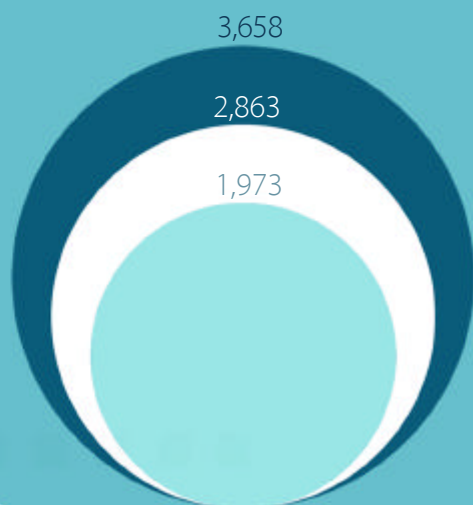




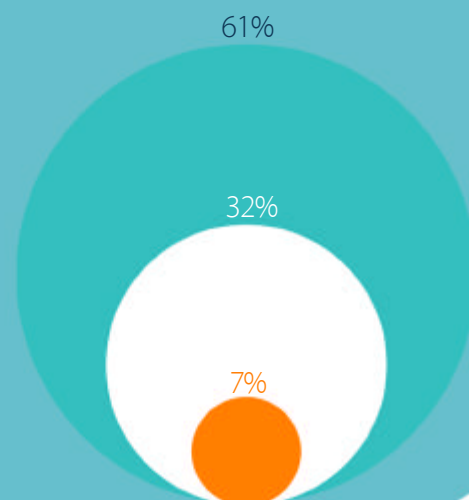
## Operational Highlights

- Operating profit margin of 37%
- Net margin of 33%
- Cash and cash equivalents of ₹ 1,794 million
- Commencement of the Airoli facility
- 59% of revenue coming from SEZ facilities
- # 14 on the Black Book of Outsourcing Top 20
- Entered the 2010 Most Admired Knowledge Enterprises (MAKE) List for Asia & India
  - Joined the Web Analytics Association (WAA) as Corporate Member. WAA helps shape the evolution of the digital marketing industry
  - Inc500 - 8th among ITES Mid-cap Indian Companies
    - Asia Finance Best Indian Mid-cap
    - Inclusion in the BSE Mid-cap index

### Head Count Growth



### Geographic Concentration



# Core2Clients

## Financial Services

Financial services firms are being asked to perform more with less, due to an increasingly stringent operating environment and a focus on minimizing costs. While optimizing current infrastructure, firms are also investing considerably in strategic change programs to meet regulatory requirements, streamline operations, and provide better client service.

eClerx enables financial institutions to balance these priorities by partnering with them to increase control, execute ongoing functions with a significant reduction in cost, and accelerate change initiatives by providing domain specific re-engineering expertise. We provide a broad suite of services that allow our clients to operate on a day to day basis, including trade processing, reference data, accounting and finance, and expense management activities. Our professional services practice includes consulting, business analysis and solution testing.

### Our Services

Trade Processing Support

Reference Data Maintenance

Contract Risk Review

Reconciliation and Controls

Margin and Exposure Management

Metrics and Reporting

Expense Management

Accounting and Finance

Consulting Services

### Our Key Differentiators

eClerx, through years of experience, has developed a specialist capability in the financial services space. Our clients include the largest banks in the world as well as buy-side institutions, which gives us a broad perspective of the marketplace across products and allows us to develop a range of services.

As a specialist we are able to provide complex process support, promote best practices among clients, and continuously improve processes. Our shared services support functions, such as knowledge management allows us to quickly institutionalize process knowledge, while our IT teams allow us to deconstruct, design, and automate functions leading to control and efficiency.

This combination of differentiating factors, in addition to the level of responsiveness our onsite offices enable, has led to our status as a preferred vendor for financial services engagements.









# Core2Clients

## Sales and Marketing Services

eClerx powers the operations of the Sales & Marketing divisions of some of the largest Fortune / Financial Times / Internet Retailer 500 scale companies globally, augmenting bandwidth to drive greater quality and control to their digital operations, data management and analytics needs. Some of the key Sales & Marketing functions we support include web content management & merchandising execution, web analytics, social media moderation and analytics, search engine analytics & support, CRM platform support, lead generation, customer data management, supply chain and channel analytics, price & catalogue competitive intelligence and broader data collection, cleansing, enriching and reporting.

We work with over 30 Global Fortune 500 scale clients including many of the world's leading High Tech and Industrial Manufacturing & Distributors, Online Retail, Interactive Media & Entertainment, Software Vendors, Travel and Leisure and Financial Services companies.



### Our Services

Online Operations & Web Analytics

CRM & Business Intelligence

Data Management & Reporting

Competitor Benchmarking & Pricing

Quality & Compliance

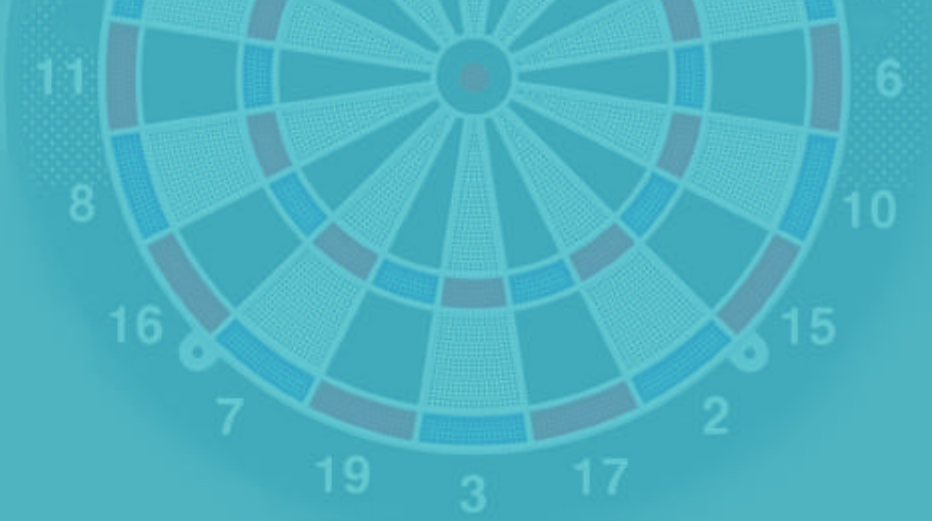
Business Process Consulting



### Our Key Differentiators

As a leading offshore provider of end-to-end services to the Sales & Marketing universe, eClerx has deep domain knowledge and process expertise that enable it to serve and adapt to the fast growing and evolving digital marketplace. We deploy skilled resources together with process redesign and automation to provide best-in-class service delivery to industry leading firms. Our sales and marketing clients view us as trusted and expert partners, and come to us for our business solutions and our ability to provide cost effective scaling to their operations.





**10,000,000+**

**5,000,000+**

**12,000,000**

**1,000,000**

Web analytics data points analysed weekly

Online quality checkpoints audited annually

Price points analysed monthly

Web pages published in 2010

# Chairman's Message

Dear Shareowners,

Financial Year 2011 represents our third full year as a publicly listed company, and I am happy to say that this third year has been another great year for us. We increased our US Dollar revenues by just under 40%, substantially faster than last year, and profitability by 67%. Over the past three years, we have maintained a compounded annual growth rate of 42% in revenue and 40% in net profit. Interestingly, over the past 13 quarters that we have been public, we have experienced sequential quarter on quarter revenue growth in each quarter bar one - the one in which one of our important clients filed for bankruptcy. This you would agree is an incredibly consistent performance, and even more so in the context of the trials and tribulations that our clients' economies have endured in that period.

Our client markets have continued to evolve. In our Financial Services business, clients are gearing up their businesses to address the slew of new regulatory initiatives being rolled out across the world, and this is leading to increased business and IT investments. Companies such as ours that are able to demonstrate problem solving ability combined with deep business understanding are benefiting from this increased spend. Our Sales and Marketing Services clients are substantially increasing spend on migrating and scaling their on-line presence, and in using new online tools like social media to enhance their brand and to improve customer perception. Our specialization and proven expertise in these areas is providing numerous opportunities for growth. These industry trends are broadly very supportive for us.

In the past year, we have further strengthened our client markets team and increased our investment in marketing. These investments have helped us expand our service offerings and offer our expertise and capabilities to a much broader prospect audience. As a result, we are deepening our footprint with existing clients, and finding increased traction with new clients as well.

Our business is complex and a positive referral from an existing client continues to be the best way to close a business opportunity with a new client, so I am especially pleased to say that our customers continue to think and speak very highly of our quality of service and our commitment to them - all direct results of our investment in people. We ended the year with 3658 people on payroll, and we continue our investment in training and career development by expanding the coverage of our curriculum for imparting critical industry, product and process training. Our people and our training programs continue to be the envy of our clients and competitors, and the key ingredient of our success.

Our focus on technology as a key strategic differentiator in how we deliver our services continues. Automation and process reengineering has helped eliminate redundant steps from our business processes, and maximized the efficiency of our services. This has helped us present our clients with cost savings which exceed those from simple offshore wage arbitrage, whilst also helping us reduce the need for costly, high skilled resources and giving us the ability to scale