



eClerx Services Limited Annual Report 2009-10

precise processes
passionate people





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Chairman's Message

Dear Shareowners,

Our second full year as a publicly listed company has been a year of consolidation - and thankfully less eventful than our first which saw a credit crisis and significant turmoil in our client base. The world seems to have come out of recession, and customers have started demonstrating cautious optimism in their investment decisions. Consulting and IT budgets have increased, as has focus on cost reduction, and these trends have been positive for companies such as eClerx.

We have once again done very well - revenues increased by 30% and profitability by almost 20% - very healthy rates compared to our competitors and very strong in the context of the GDP growth rates in our customers' markets. Our customers continue to view us as strategic partners in their enterprise and we have demonstrated excellent growth within our client base, entering newer business areas and developing new skills and capabilities.

Our performance has helped us win some remarkable accolades - most notably we featured in the 'Business Today 500' list of India's largest public companies, published in November 2009 - a list containing India's "who's-who" of public enterprise. It's a fantastic achievement for a young company like us. Once again we featured in the International Association of Outsourcing Professionals (IAOP) Global Outsourcing 100 - this time across seven different categories compared to two last year. Furthermore Telecos, in association with The KNOW Network shortlisted us among 14 finalists in the 2009 Indian Most Admired Knowledge Enterprises (MAKE) study. All recognitions we are very proud to have achieved.

Last year, we spoke about our investment in people at a time when customers and competitors were retrenching, and I am happy to say that investment is paying off. Our sales and marketing teams have generated some large client acquisitions and meaningful proposal wins in competition with large established vendors, and these wins lay the foundation for our growth in future years. Our strong and more experienced management team today demonstrates expertise, thought leadership and execution capability that helps drive new types of engagements, including consulting engagements, helping us increase our value proposition to clients. Our business is complex, and I am 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.

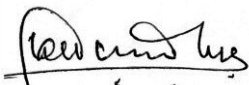
Our strong growth has meant that we added almost a thousand employees over the year, and reached full capacity utilisation at our Pune SEZ facility. We therefore signed a lease for a new state-of-the-art SEZ facility in Airoli, Navi Mumbai, our sixth in India. The facility becomes operational in July and is another significant milestone in our growth journey. We also set up a subsidiary company in Singapore to establish a sales and marketing presence in the Asia Pacific market, a market that we believe will become an increasingly important one in the years to come.

This year, we increased our investment in our training and talent management processes, adding to and improving our curriculum for imparting critical industry, product and process training. The best compliment we receive about our training is from our clients, who often want to use our training materials to train their internal staff.

We also view our investment in technology skills as a key strategic differentiator in how we deliver our services. Our focus on automation and process re-engineering has helped eliminate redundant steps from our business processes, and thus maximised the efficiency of our services. This helps us present our clients with cost savings which exceed those from simple wage arbitrage, whilst also helping us reduce the need for costly, high skilled resources and giving us the ability to scale solutions quickly. Our clients like the way we run their business and our constant focus on efficiency and productivity.

Finally, in March 2010 we completed 10 years of operations. It has been a fulfilling journey - from a modest beginning to becoming India's leading, publicly listed knowledge process outsourcer. We thank you once again for your support and encouragement, and look forward to continuing our growth and performance.

Sincerely,



V. K. Mundhra
Chairman

“ Our customers continue to view us as strategic partners in their enterprise and we have demonstrated excellent growth within our client base, entering newer business areas and developing new skills and capabilities.”

Business Overview

eClerx Services Limited (eClerx) is a leading Knowledge Process Outsourcing (KPO)

Company supporting its clients with two market-focused business units -

Financial Services and Sales and Marketing Support.



Financial Services

eClerx provides an expert consulting and outsourcing option for managers of financial institutions that demand reliability, accuracy, control, and cost efficiency. We provide consulting and outsourcing services to support financial transactions from trade closing through settlement, clearing, asset servicing and exposure management. We provide reference data and risk management services, as well as financial control, accounting and reporting services to help our clients manage their increasingly complex businesses.

Our solutions for discrete and complex financial processes support the largest players in the global financial services industry and our expertise spans equities, bonds, derivatives, loans, commodities, foreign exchange and structured products.

9 of the FED 11 banks and 9 of the top-14 global investment banks are our customers for core and critical services.

200+ processes are managed by us, ranging from 2-30 full-time employees each across shifts and locations.

ISO 27001 certified for information security, **CMMI 3** Certified software development teams create tools that provide control, efficiency and scalability.

Services

- Financial Transaction Operations • Reference Data Management • Finance Control, Accounting and Reporting
- Risk Management Services • Technology Prototyping and Migrations • Metrics and Control Reporting
- Consulting Services



Sales and Marketing Support

eClerx provides an expert outsourcing solution for sales and marketing managers who depend on immediate access to highly accurate decision support information and best in class online operations and marketing campaign support. The Sales and Marketing Support division closely partners with our clients to deliver optimal results using industry leading process management techniques and eClerx developed tools and process automation.

Over 300 Sales and Marketing processes are currently managed by us with **10 years experience** in serving Fortune 500 companies.

Deep domain and process expertise on leading industry platforms in consumer electronics, retail and travel verticals.

CMMI 3 certified software development teams provide highly scalable tools that deliver robust controls and efficiency to critical processes for our clients.

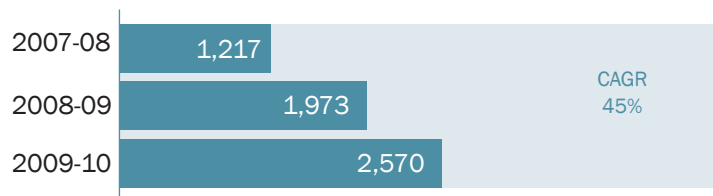
5 India offshore delivery services centres enable 24x7 operations real-time support to our clients in the Americas, Europe and Asia Pacific.

Services

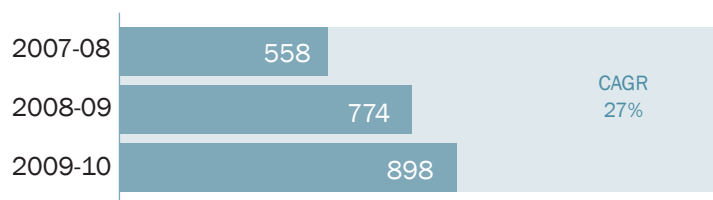
• Online Operations Support • Data Management Services • Pricing Operations Support • Reporting, Analytics and Business Intelligence • Compliance and Audit Programs

Performance at a Glance

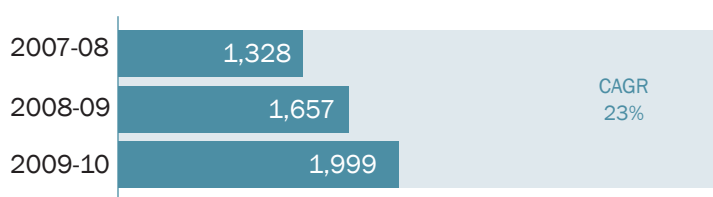
Income from Operations (Rupees in million)



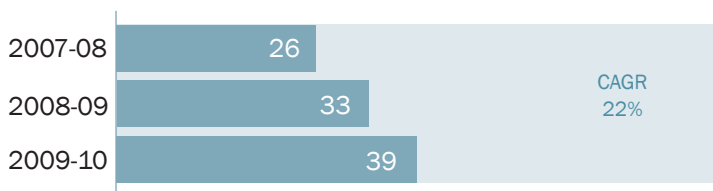
EBDITA (Rupees in million)

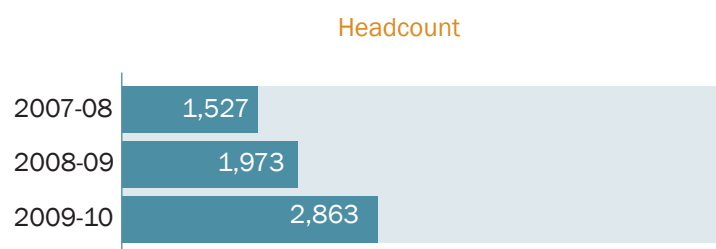
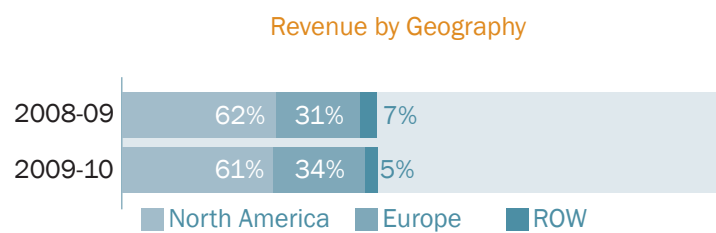
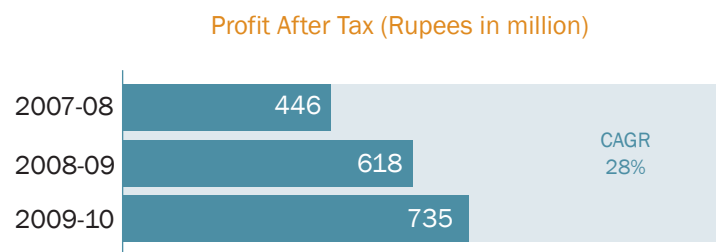
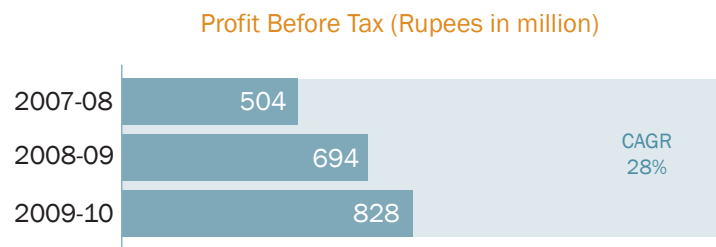


Networth (Rupees in million)



Earnings Per Share (In Rupees)





A Decade of Milestones

- Incorporated as a Private Limited company
- Established eClerx Limited (UK)



- Recognised as 'Best of Breed' in the BPO segment by AT Kearney
- Opened a delivery centre in Mumbai at Sewri
- A Business Today Top 20 Company to watch in 2005

2000

2001

2004

2006

- Established eClerx LLC (USA)



- Obtained ISO 27001 certification
- Opened a delivery centre in Mumbai at Raheja Plaza, Ghatkopar
- Listed by the Yankee Report as a 'Best of Breed' analytics provider