eClerx
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Financial Performance FY 10

May 25, 2010

eClerx – An ISO/IEC 27001:2005 Certified Company

Financial Summary

	Metrics	Q4 FY 10	Q-o-Q		FY 10	Y-o-Y	
Revenue	Total Revenue (INR M)	739	10%	↑	2,465	28%	↑
	Opg Revenue (INR M)	713	3%	↑	2,570	30%	↑
	Opg Revenue (USD M)	15.8	6%	↑	55.0	30%	↑
Profit	EBITDA (INR M)	287	11%	↑	898	16%	↑
	OPM (INR M)	242	7%	↓	934	27%	↑
	Net Profit (INR M)	242	14%	↑	735	19%	↑
Margin	EBITDA %	39%	0%	↔	36%	4%	↓
	OPM %	34%	4%	↓	36%	1%	↓
	Net Profit %	33%	1%	↑	30%	2%	↓
EPS	Basic (INR)	12.8	14%	↑	38.7	19%	↑
	Diluted (INR)	12.2	13%	↑	37.1	14%	↑

- Growth momentum continues
  - USD revenue up 6% Q-o-Q and 30% Y-o-Y
- Operating and net margins maintained YoY
- Proposed a final dividend of Rs 10 per share, bringing full year total dividend to Rs 17.50 per share
  - Payout ratio (including DDT) exceeds 50% of net income

Highlights

- Achieving true scale – crossed $50mm in revenue, nudging 3,000 employees
  - Set up Singapore sub, now have direct presence in 5 countries
- Increasing wallet-share at strategic clients
  - Increasing services/stakeholders; much higher criticality and integration
  - Higher concentration as anticipated, in the short term
- Broad basing growth through second tier clients
  - Many now approaching critical mass/growth inflexion point
- Continuing investment in people and infrastructure
  - Continuing to invest in senior level talent both in India and in client markets
  - Attrition is up, but largely successful in retaining key talent
  - New Airoli facility build out commenced for the first 44k sq. ft., expected to start ops in June

Other Updates

Current Hedge Status

Consistent policy of hedging receivables for next 12-18 months

Contract	Year	Currency	Amount	Average Rate (INR)
Forward	FY 11	USD	$ 27.3 M	48.9
		Euro	€ 3.9 M	69.2
	Total FY 11 – Equiv USD		**$ 32.2 M**	**49.9**
	FY 12	USD	$ 8.3 M	48.0
	Total FY 12 – Equiv USD		**$ 8.3 M**	**48.0**
Put Option	FY 11	USD	$ 6.0 M	46.5

Note: EUR/USD taken at 1.25

Highly Liquid Balance Sheet

- Total Cash and Cash equivalents of INR 1,247 M, zero debt on balance sheet
  – Equivalent to INR 65.5 per share
- Trailing 12 months EPS
  – Basic: 38.7
  – Diluted: 37.1
- Book value per share of INR 105.0

Utilization of IPO Proceeds

Figures in INR Millions

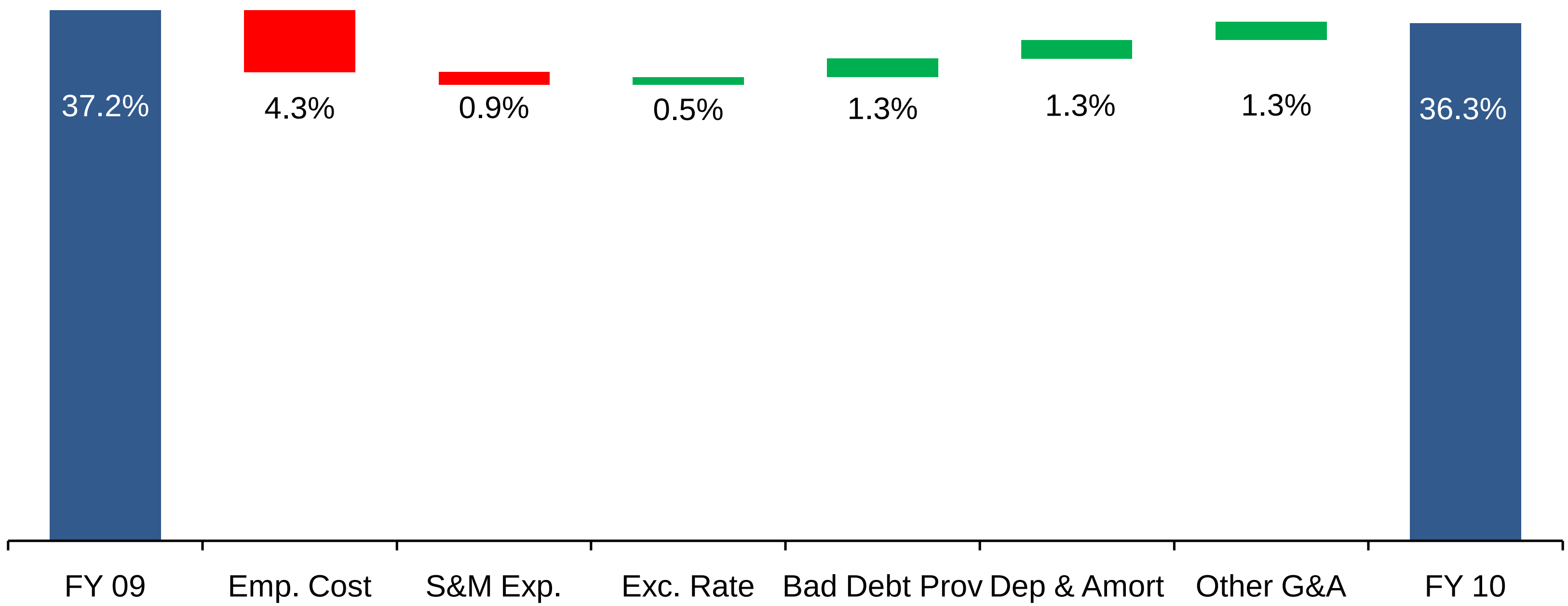
Particulars	Planned as per Prospectus	Utilization up to March 31, 2010	Balance
Acquisitions	220.0	–	220.0
Infrastructure investments	180.0	180.0	–
Setting up of additional facilities	100.0	25.2	74.8
General corporate purposes	161.0	149.2	11.8
Total	**661.0**	**354.4**	**306.6**

P&L Comparison: FY 10 vs FY 09

Figures in INR Millions

Operating P&L	FY 10	% of OPR	FY 09	% of OPR
Operating Revenue	2,570.2		1,972.8	
Cost of Revenues				
Employee Cost	1,077.8	41.9%	748.8	38.0%
General Administration and Management				
Rent	100.2	3.9%	94.1	4.8%
Communication Expenses	58.4	2.3%	46.6	2.4%
Legal and Professional Fees	65.4	2.5%	46.4	2.4%
Electricity	29.8	1.2%	38.4	1.9%
Conveyance	28.3	1.1%	17.3	0.9%
Provision for Bad Debt	0.8	0.0%	26.4	1.3%
Others	109.6	4.3%	82.7	4.2%
Total G&A	**392.5**	**15.3%**	**351.9**	**17.8%**
Selling and Distribution	**96.3**	**3.8%**	**57.7**	**2.9%**
Depreciation and Amortization	**69.9**	**2.7%**	**79.3**	**4.1%**
Interest	**0.0**	**0.0%**	**0.4**	**0.0%**
Total Operating Cost	**1,636.5**	**63.7%**	**1,238.1**	**62.8%**
Operating Profit	**933.7**	**36.3%**	**734.7**	**37.2%**

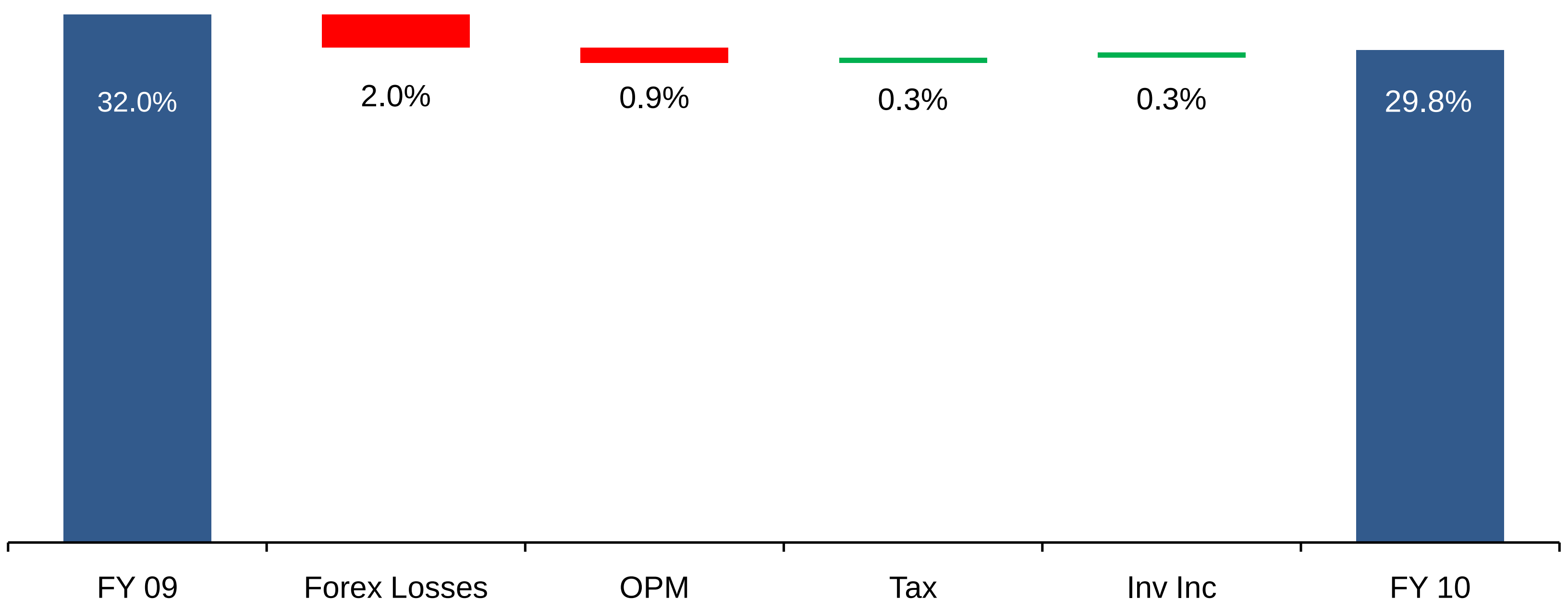
OPM Bridging Analysis: FY 10 vs FY 09



Note – Bridging analysis in constant currency, impact of currency movements shown in exchange rate

- Higher capacity utilization helped drive a scaling in G&A and depreciation costs
- Used the headroom to increase investment in senior management talent

NPM Bridging Analysis:
FY 10 vs FY 09



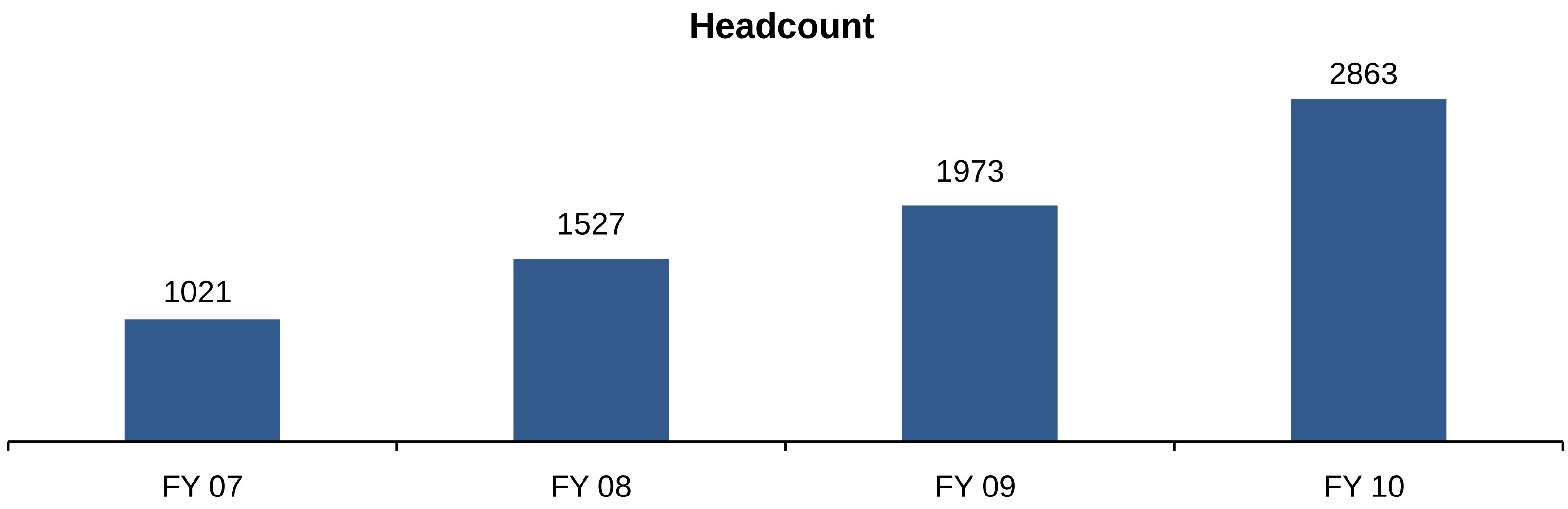
- Lower effective tax rate in FY 10, despite increase in MAT tax rate due to higher SEZ revenue contribution
- Forex losses should reduce going forward, given more favorable rates for remaining hedges

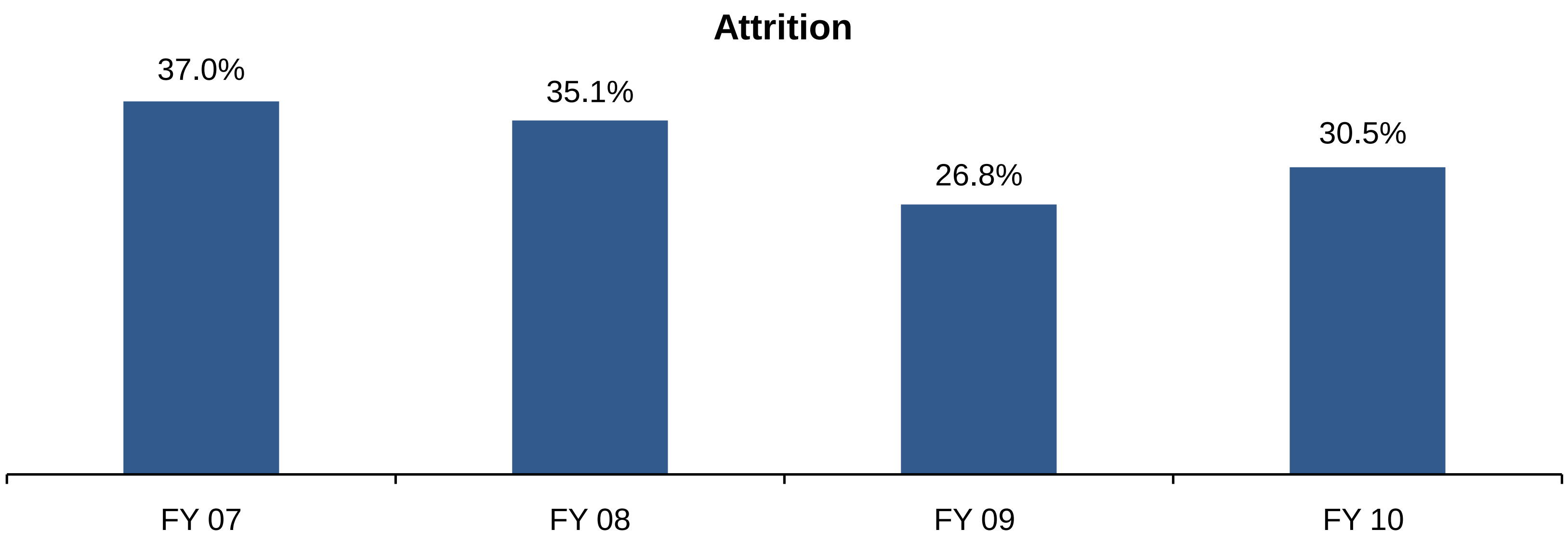
Revenue Quality

Metrics		FY 10	FY 09
Currency Concentration (%)	USD	73%	77%
	EURO	23%	18%
	GBP	4%	5%
Geographic Concentration	North America	61%	62%
	Europe	34%	31%
	ROW	5%	7%

Client Concentration	Top 5	82%	75%
Billing Mix	FTE	73%	67%
	SEZ Revenue	42%	28%

Status Update





FY 11 – Emerging Themes

- Continued client focus on cost reduction
  - Broadly positive for outsourcing and off shoring
  - Cost / benefits of third party vs. captives seem well understood at this stage
- IT and consulting budgets up on the whole
  - Large scale change programs underway at many clients
- Companies have to worry about governments like never before
  - Fiscal status means higher taxes, more bureaucracy, more protectionism
  - Consumer and employee protection on the rise, will affect margins
  - Hostile governments at home and abroad(selectively hurt industries / participants)
  - Currency risk back with a vengeance
- Financial services continues to be target of substantial regulatory overhaul
  - Aggressive product / process complexity reduction
  - Increase in transparency and capital requirements

We stay confident that 2011 will be a growth year on all counts…

Thanks