

**NOTICE OF POSTAL BALLOT PURSUANT TO SECTION 192A
OF THE COMPANIES ACT, 1956**

Dear Member(s)

NOTICE is hereby given pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 that the resolutions appended below for the purpose of raising of long term financial resources, enhancing the borrowing powers and the authority to create charge on the properties of the Company are proposed to be passed as Special / Ordinary Resolution(s), as the case may be, by way of Postal Ballot. The Explanatory Statement(s) pertaining to the said resolution(s) setting out the material facts and the reasons thereof are annexed. The said Special / Ordinary Resolution(s) and the Explanatory Statement(s) are being sent to you along with a Postal Ballot Form (the "Form") for your consideration.

The Board of Directors of the Company has appointed Ms. Savita Jyoti of M/s. Savita Jyoti Associates, Practicing Company Secretary as a Scrutinizer to scrutinize the ballot papers received from the Members and for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and return the same duly completed, in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on Monday, January 31, 2011. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit her report to the Chairman of the Company. The results of the Postal Ballot will be announced on Thursday, February 3, 2011 at 1:00 p.m. at the Registered Office of the Company.

The Members are requested to consider and, if thought fit, to pass the following resolution(s). The resolution(s), if approved will be taken as passed effectively on the date of declaration of results of Postal Ballot.

SPECIAL BUSINESS**1. RAISING OF LONG TERM FINANCIAL RESOURCES:**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) ('hereinafter referred to as the Act') and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and Issue of Foreign Currency Convertible Bonds and Equity Shares (through Depository Receipt Mechanism) Scheme 1993, the Listing Agreements entered into by the Company with Stock Exchanges on which the Company's Equity Shares are listed and the rules/regulations/guidelines, notifications, circulars and clarifications, if any, issued by the Government of India (GOI), the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), or any other relevant authority from time to time, to the extent applicable and subject to such approval(s), consent(s), permission(s) and sanction(s) as may be necessary or required and subject to such condition(s) and modification(s) as may be prescribed by any of them while granting such approval(s), permission(s), consent(s) and sanction(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), in one or more tranches whether denominated in rupees or in

foreign currency, in the course of domestic and/or international offerings, representing Equity Shares/other securities by whatever name called including but not limited to non-convertible debt instruments along with warrants and convertible securities other than warrants (hereinafter collectively referred to as "Eligible Securities") and Equity Shares whether through Depository Receipts, including American Depository Receipts / Global Depository Receipts (ADRs / GDRs)/ other depository receipts or otherwise, debentures or bonds whether partly / optionally / fully convertible and / or securities linked to Equity Shares including foreign currency convertible bonds and / or any other financial instruments convertible into or linked to Equity Shares, with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares, and / or otherwise, in registered or bearer form, secured or unsecured (along with 'Eligible Securities' hereinafter collectively referred to as "Securities") such that the total amount raised through the aforesaid Securities should not exceed Rs. 5,000 Million (Rupees Five Thousand Million Only) inclusive of premium (with or without green shoe option, as applicable) by offering the same to any domestic / foreign institution(s), individual(s), non-resident Indian(s), corporate body(ies), mutual fund(s), bank(s), insurance company(ies), pension fund(s), trust(s), stabilizing agent(s), or otherwise, whether shareholders of the Company or not, and Eligible Securities to Qualified Institutional Buyers pursuant to a Qualified Institutional Placement as provided under Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, (SEBI ICDR Regulations 2009), (collectively called 'Investors') through public issue(s) of prospectus, private placement(s) or rights issue or Qualified Institutional Placement (QIP) or a combination thereof at such time or times, at such price or prices, at a discount or at premium to the market price, or price in such manner and on such terms and conditions including security, rate of interest, etc. through a prospectus, placement document or an offering memorandum, as per the terms and conditions that the Board may in its absolute discretion deem fit and appropriate at the time of issue and where necessary, in consultation with the Book Running Lead Manager(s), Merchant Banker(s) and/or other Advisor(s) or otherwise, including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors, wherever necessary.

RESOLVED FURTHER THAT in case of an issuance of FCCBs / ADRs / GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined, inter-alia, in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 as may be amended from time to time.

RESOLVED FURTHER THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), and the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), as amended and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, the Board of Directors may at their absolute discretion, issue, offer and allot equity shares or securities convertible into Equity Shares for a value up to the amount of Rs. 5,000 million (Rupees Five Thousand Million Only) inclusive of premium, if any, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) pursuant to a Qualified Institutional Placement as provided under Chapter VIII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT in case of a Qualified Institutional Placement pursuant to Chapter VIII of the SEBI ICDR Regulations, the allotment of securities shall only be to Qualified Institutional Buyers within the meaning of the said Chapter and the relevant date for the determination of the price of the Equity Shares / Securities to be issued or issued pursuant to conversion, shall be determined in accordance with the SEBI ICDR Regulations as may be amended from time to time.

RESOLVED FURTHER THAT subject to the applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), the provisions of the SEBI ICDR Regulations and the provisions of the FEMA, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Board of Directors may at their absolute discretion, issue, offer and allot Equity Shares or equity linked instruments for a value up to the amount of Rs. 5,000 million (Rupees Five Thousand Million Only) inclusive of such premium, as applicable, if any, to the existing Members of the Company on a rights basis.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international and domestic practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT:

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the Equity Shares issued shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the issue of Equity Shares underlying the securities convertible into Equity Shares to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the conversion of the convertible securities into Equity Shares, the number of shares to be allotted shall stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issued and the premium, if any, stand adjusted accordingly and as applicable;
- (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the conversion of the convertible securities into Equity Shares, the entitlement to the Equity shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders, and
- (c) in the event of any merger, amalgamation, takeover or any other re-organization, the number of share, the price and the time period as aforesaid shall be suitably adjusted.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity shares ranking pari passu with the existing Equity Shares of the Company in all respect, except the right so as to dividend which shall be as provided under the terms of the issue and in the offering documents, as may be permitted under law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Manager(s), Underwriter(s), Guarantor(s), Depositor(s), Custodian(s), Registrar(s), Trustee(s), Banker(s), Lawyer(s), Advisor(s) and all such Agencies as may be involved or required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute

all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and International Stock Exchange(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form and terms of the issue(s), in accordance with applicable regulations, prevalent market practices, including but not limited to the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue/conversion of Securities/exercise of warrants/redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or abroad as the Board, in its absolute discretion may deem fit and as permitted under the relevant rules, regulation and guidelines, as applicable, and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including sign all deeds, documents and writings and with power on behalf of the Company to settle any questions or difficulties that may arise in regard to the issue(s), as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolutions, including but not limited to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officer of the Company."

2. INCREASE IN BORROWING LIMITS:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of Resolution No. 9 passed at the Eighth Annual General Meeting held on September 1, 2008 and pursuant to Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any committee thereof) for borrowing from time to time any sum or sums of monies which, together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. 5,000 Million (Rupees Five Thousand Million).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

3. CREATION OF CHARGES ON COMPANY'S PROPERTIES:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"RESOLVED THAT in supersession of Resolution No. 9 passed at the Eighth Annual General Meeting held on September 1, 2008 and pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of the Banks / Financial Institutions, other investing agencies, trustees and other entities, by whatever name called, for the holders of debentures / bonds and / or other instruments to secure rupee / foreign currency loans and / or the issue of debentures whether partly / fully convertible or non-convertible and / or securities linked to equity shares and / or other securities and / or rupee / foreign currency convertible bonds and / or bonds with detachable share warrants and / or secured loan(s) (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with the interest thereon, additional interest, compounded interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 5,000 Million (Rupees Five Thousand Million).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By order of the Board of Directors
For eClerx Services Limited

Gaurav Tongia
Company Secretary

Date: December 16, 2010

Registered Office:

Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 1

The Company has grown into a Rs. 2,500 Million entity within a span of a decade and has charted out extensive expansion plan in terms of services being provided. Further in order to enhance its global competitiveness and the ability to compete with the peer group in the international markets, the Company needs to further strengthen its financial position by augmenting long term financial resources. Thus as part of its future organic and inorganic growth strategy, the Company plans to incur up to Rs. 5,000 Million in the next 3-4 years towards, *inter-alia*, acquisition of Company(ies), expenditure in capacity enhancement, establishing new geographic presence and other meaningful growth opportunities. The expenditure required for meeting these plans would be spread over the next 3-4 years and a long term financing plan would be evolved in the near future. The Company had already earmarked in its prospectus an amount of Rs. 220 Million out of its Initial public Offering (IPO) proceeds towards acquisition of Company(ies) for inorganic growth.

While it is envisaged that the internal generation of funds as well as the IPO funds earmarked for the purpose, would partially fund the above expenditure programme, it is thought prudent at this stage for the Company to meet a part of its fund requirement for the said acquisition of Company(ies), expenditure for establishing new geographic presence as well as for such corporate purposes including investments in subsidiary companies in India or overseas for their business growth / other requirement, as may be permitted under applicable laws through issue of Securities as mentioned in the resolution at Item No. 1 of the Notice.

In view of the good performance of the Company and positive outlook of the industry, globally and also Company's fund requirements, it is thought prudent to raise resources at an opportune time. It is therefore proposed to issue the said Securities for an amount not exceeding Rs. 5,000 Million (Rupees Five Thousand Million) only, inclusive of premium, in one or more tranches, in such form, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of Investors in the domestic and / or international market as set out in the Resolution at item no. 1 of the Notice. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

While the fund raising programme may be through a mix of equity / debt / equity related instruments, to the extent that any part of the above mentioned capital raising plan includes issue of securities linked to or convertible into Equity Shares and / or other Securities of the Company, Members' approval is being sought under Section 81 and sub-section (1A) of the Companies Act, 1956 (the Act) and other relevant regulations, which *inter-alia*, provide, that whenever it is proposed to increase the subscribed capital of a company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the company in proportion to the capital paid-up on that date unless shareholders in general meeting decide otherwise. Whilst no specific instrument(s) have been identified at this stage, in the event that the Company issues any equity / equity linked instruments, in one or more tranches, the Equity shares, if any, allotted on issue, conversion of securities or exercise of Warrants shall rank *pari passu inter-se* and with the existing equity shares of the Company, as the case may be.

In the event of the issue of Eligible Securities as set out in the Resolution at item no. 1 of the Notice by way of Qualified Institutional Placements, it will be ensured that:-

- the relevant date for the determination of price of the Equity Shares / Securities and / or detachable warrants shall be determined, pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI ICDR Regulations") and / or other applicable regulations.
- the issue and allotment of securities shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of the SEBI ICDR Regulations and such securities shall be fully paid up on its allotment, which shall be completed within 12 months of the date of passing this Resolution;
- the total amount raised in such manner, including the over allotment option as per the terms of the issue of Securities, would not exceed 5 times of the Company's net worth as per the audited balance sheet of the previous financial year; and
- the securities shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI ICDR Regulations.

The Board of Directors accordingly recommends passing of the resolution set out at Item No. 1 of the accompanying Notice for the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding in the Company or to the extent of the Securities that may be subscribed by the companies / institutions of which they are directors or members, if any.

Item Nos. 2 and 3

Under Section 293(1)(d) of the Companies Act, 1956 (the Act), the Board of Directors of a Company cannot, except with the consent of the Company in a general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. The Members had vide resolution passed at the Eighth Annual General Meeting held on September 1, 2008, had accorded their consent to the Board of Directors for borrowing up to a sum of Rs. 1,000 Million (Rupees One Thousand Million) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose). To meet the expenditure requirements and also to provide for the issue of any debt / debt related instrument in the Indian and / or international market, it is necessary to enhance the present borrowing limit. The Members' approval is therefore being sought, *inter-alia*, pursuant to Section 293(1)(d) of the Act to increase the borrowing limit to Rs. 5,000 Million (Rupees Five Thousand Million) only.

The proposed borrowings and any further borrowings of the Company may, if necessary, be secured by way of a charge, mortgage, hypothecation of the Company's assets in favour of the secured lenders, security holders, trustees for the holders of such securities and / or other lender entities, by whatever name called. The Members vide the said Resolution No. 9 at the Eighth Annual General Meeting held on September 1, 2008, had also accorded their consent to the Board of Directors for the creation of charges, mortgages and hypothecations on the Company's properties which would not exceed a sum of Rs. 1,000 Million (Rupees One Thousand Million) over and above the aggregate of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose). Considering that the Company may in future borrow funds as mentioned above, or

otherwise which may require to be secured by a charge, mortgage, hypothecation on the Company's properties, it is necessary for the Company to pass the said resolution as set out at item no. 3 of the Notice, *inter-alia*, under Section 293 (1)(a) of the Act for creation of such charges, mortgages and hypothecations for an amount not exceeding Rs. 5,000 Million (Rupees Five Thousand Million) at any point of time.

The Board of Directors accordingly recommends passing of the resolutions set out at item nos. 2 and 3 of the accompanying notice for the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution(s), except to the extent of their shareholding.

By order of the Board of Directors
For eClerx Services Limited

Gaurav Tongia
Company Secretary

Date: December 16, 2010

Registered Office:
Sonawala Building, 1st Floor,
29 Bank Street, Fort, Mumbai – 400 023