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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) **July 10, 2008**

**EXLSERVICE HOLDINGS, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

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**001-33089** **82-0572194**  
(Commission File Number) (I.R.S. Employer Identification No.)

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**350 Park Avenue** **10022**  
**New York, New York**  
(Address of principal executive offices) (Zip Code)

**(212) 277-7100**  
(Registrant's Telephone Number, Including Area Code)

**NOT APPLICABLE**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

On July 10, 2008, ExlService Holdings, Inc. (the “Company”) entered into agreements with affiliates of Aviva, one of the Company’s largest customers, pursuant to which Aviva (i) exercised its previously disclosed transfer option under the Company’s agreements with Aviva to purchase the shares of our subsidiary Noida Customer Operations Private Limited (“NCOP”), which operates one of our facilities in Pune, India, and (ii) agreed to certain amendments to its existing agreements with the Company. The material terms of such agreements are discussed below.

### Share Purchase Agreement

The Company entered into a Share Sale and Purchase Agreement (the “Share Purchase Agreement”) with Aviva Global Services Singapore Pte Ltd (“AGSS”) that obligates the Company to procure the sale by exlservice.com (India) Private Limited (“ExlService India”), a wholly-owned subsidiary of the Company, of all of the capital shares of NCOP to AGSS for an amount in cash that approximates the net asset value of the Pune facility that NCOP operates on the date of transfer. The anticipated date of transfer of such facility to Aviva is expected to be August 11, 2008.

The Share Purchase Agreement contains customary representations, warranties and indemnities from the parties, including a covenant by the Company to work with AGSS to prepare for the introduction of new operation and management procedures at NCOP in connection with the transfer.

### Deed of Settlement

The Company also entered into a Deed of Settlement (the “Deed”) with Norwich Union Insurance Limited (“NUI”), Aviva International Holdings Limited (“AIH”), AGSS, ExlService India and NCOP relating to the services that the Company provides for Aviva from its operations in Noida. The Deed amends the terms of the Insurance Service Framework Agreement (“ISFA”) and the Virtual Shareholders Agreement (the “VSA”) between the parties. The Deed amended the ISFA and the VSA to remove clauses prohibiting both AGSS and the Company from carrying out certain activities relating to outsourcing within the insurance industry.

In addition, the Deed amends the ISFA to extend its term until February 1, 2012 and to establish the minimum annual commitment for the existing insurance services covered thereunder during the extension period.

The parties also agreed to work together to agree on further amendments to the ISFA, including adding new step-in provisions, amending pricing-related provisions and moving from a work order structure to a master services agreement.

The parties also novated the ISFA to Aviva Global Services (Management Services) Private Limited, a Singapore company that is indirectly wholly owned by Aviva, and waived and settled any potential actions arising out of the negotiations leading up to the transaction and any potential historic claims under the existing restrictive covenants.

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**ITEM 8.01. OTHER EVENTS.**

On July 10, 2008, the Company issued a press release announcing the agreements discussed in Item 1.01 hereto. A copy of the press release referred to above is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits

99.1 Press Release dated July 10, 2008

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: July 16, 2008

**EXLSERVICE HOLDINGS, INC.**  
(Registrant)

By: /s/ Matt Appel

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Name: Matt Appel

Title: Vice President and Chief Financial Officer

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**EXHIBIT INDEX**

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release dated July 10, 2008



**For immediate release**

### **EXL Renews its Outsourcing Contract with Aviva in Noida**

NEW YORK, July 10, 2008 - ExlService Holdings, Inc. ("EXL") (NASDAQ: EXLS), a leading provider of transformation and outsourcing solutions, today made several key announcements with respect to its relationship with Aviva:

- Aviva has confirmed its commitment to EXL by renewing its outsourcing contract with EXL to provide services from EXL's Noida facility through January 2012 including provisions relating to annual minimum volume commitments. The existing Noida contract with Aviva is in effect until July 2009.
- Aviva has provided notice to EXL with respect to the exercise of the Build Operate Transfer (BOT) contract currently in place with EXL in Pune. The anticipated date of transfer of the Pune operations for Aviva is expected to be August 9, 2008. Aviva is consolidating its captive operations and BOT contracts after conducting a commercial process for the sale of the assets.

Cathryn Riley, Chief Operating Officer of Aviva, stated: "We have enjoyed a long-term relationship with EXL which we look forward to continuing. EXL is a partner that we have come to rely on for excellent customer service and process reengineering and transformation skills. Extending the Noida contract makes absolute sense to us as we continue to enjoy the mutual benefit from Aviva's relationship with EXL."

Rohit Kapoor, President and CEO of EXL stated: "The extension of the Noida outsourcing contract clearly demonstrates that EXL's focus on service quality in the insurance domain remains valuable to our partners. We continue to maintain a strong leadership position in the insurance domain with unrivaled domain expertise, well honed transformational skill sets and significant process breadth. While we were ultimately not the successful bidder to acquire Aviva's consolidated BPO operations, we believe that our disciplined approach to this bidding process ultimately created a positive outcome for EXL that is in the best interests of our shareholders. EXL's balance sheet position is strong and with significantly improved customer diversification we will continue to focus our efforts on the growth of new and existing clients."

EXL will announce financial results for the second quarter ending June 30, 2008 on August 6, 2008 after market close. Following the release, EXL management will conduct a conference call at 10:00 a.m. (ET) on August 7, 2008 to discuss the company's financial and operating performance.

#### **About ExlService Holdings, Inc.**

ExlService Holdings, Inc. (Nasdaq: EXLS) is a recognized business solutions provider. EXL's service offerings provide a competitive edge to its clients by transforming and outsourcing business processes. Transformation services enable continuous improvement of client processes by bringing together EXL's capabilities in reengineering, including Six Sigma process improvement, research & analytics, and risk advisory services. EXL's outsourcing services include a full spectrum of business process services from offshore delivery centers requiring ongoing process management skills. Headquartered in New York, EXL primarily serves the needs of Global 1000 companies in the banking, financial services, insurance, utilities, healthcare, telecommunications and transportation sectors. Find additional information about EXL at [www.exlservice.com](http://www.exlservice.com).

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This press release contains forward-looking statements. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to EXL's operations and business environment, all of which are difficult to predict and many of which are beyond EXL's control. Forward-looking statements include information concerning EXL's possible or assumed future results of operations, including descriptions of its business strategy. These statements often include words such as "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate" or similar expressions. These statements are based on assumptions that we have made in light of management's experience in the industry as well as its perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although EXL believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect EXL's actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. These factors are discussed in more details in EXL's filings with the Securities and Exchange Commission. These risks could cause actual results to differ materially from those implied by forward-looking statements in this release.

You should keep in mind that any forward-looking statement made herein, or elsewhere, speaks only as of the date on which it is made. New risks and uncertainties come up from time to time, and it is impossible to predict these events or how they may affect EXL. EXL has no obligation to update any forward-looking statements after the date hereof, except as required by federal securities laws.