

February 18, 2005

Mail Stop 4-9

Vikram Talwar
Chief Executive Officer
ExlService Holdings, Inc.
350 Park Avenue
New York, NY 10022

Re: ExlService Holdings, Inc.
Registration Statement on Form S-1/A-1
Filed February 1, 2005
Registration No. 333-121001

Dear Mr. Talwar:

We have reviewed your filing and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

General

1. We note your pending requests for confidential treatment. We will review and provide comments on your request separately. Please resolve all comments before requesting acceleration of the effectiveness of this registration statement.

Summary

2. We note your response to previous comment 7 and 8; however, the continued use of industry jargon in the first two paragraphs of the summary to describe otherwise simple concepts is confusing to investors. For example, we note that in the second sentence of the first paragraph, you have not clearly defined the meaning of "outsourcing" and "business process outsourcing." Please revise so that it is immediately clear that you essentially provide opportunities for companies to shift some of their operations, such as human resources and accounting, to a third party in an overseas location, primarily India. The terms you use in your definition such as "business process" and "business functions" are vague and not very useful in clearly identifying the services you actually provide to clients.

3. In that regard, we note that the last sentence in paragraph two remains abstract and saturated with industry jargon. For example, in the absence of a problem or question, the term "solution" is abstract and should be replaced by a more concrete term or terms. Instead of using the term "solution," please replace the term with a brief description of your actual products and services. Also, how do

you
"develop processes," and what are "business risk compliance services?" Please also avoid the use of terms such as "integrated business process outsourcing solutions," and "large-scale processes" in the second paragraph and define their meaning in the text instead.
Similarly, define "back-office processing" and "high-value solutions" on page 2.
4. Please better explain the relevance of the terms "Six Sigma methodology" and "Kaizen Initiatives" which may not be readily apparent to investors. Similarly, please briefly describe what the "well known improvement techniques" are.

Our Business, page 1

6. Please disclose the specific measurement you are using in concluding that you are a leading provider of offshore business process outsourcing solutions.
7. In your response to previous comment 14, confirm our understanding that the number of employees specified at the particular dates do not include employees that have previously left your employment and returned at a later date.
8. Where you discuss the fact that the majority of the contracts in which you enter into are from three to seven years in length, please also disclose the portion of your revenues tied to contracts that are set to expire within the next year.

Competitive Strengths, page 2

9. In your response to previous comment 17, we note that revenue from the "other clients" represented 47.8% of your total revenue for the period ended September 30, 2004 and that these "other clients" can terminate your contracts without cause during the "initial term." Please disclose the initial term dates for your "other clients." We note also that in the aggregate, the revenue derived from your other clients is significant and that the termination of a bulk of those contracts without cause could materially impact the predictability of your revenue stream.

Risk Factors, page 5

10. Please briefly list the most material risk factors in the summary section rather than including only a cross-reference to the "Risk Factors" section of the prospectus.

Risk Factors

We have a limited number of clients...page 10

11. Reconcile your disclosure on page 10 relating to the November 2005 initial term expiration date of your agreement with Dell with the disclosure on page 2 stating that the expiration of the initial term dates with your two largest customers (one of which is Dell) expire no sooner than 2007. Also, clarify on page two whether Dell can terminate the agreement with 30 days notice at any time before and after the initial term date.

We have a long selling cycle...page 11

12. We note your response to previous comment 31. The language you have added in revision to this comment tends to mitigate the risk you are presenting and should be removed.

We may fail to attract and retain...page 13

13. We note your response to previous comment 35, however, you have not indicated how much your cost of revenues have increased nor have you quantified the impact of the high turn-over rate on your profit

margins for the most recent period. We reissue the comment.

Substantial future sales of shares of our common stock...page 20
14. In response to previous comment 46, state that the lock-up agreement may be waived at any time at the underwriter's sole discretion and provide the factors listed in your response as examples of circumstances under which the agreements may be waived.

Use of Proceeds-Page 23

15. We note your response to previous comment 49. Please tell us why you have not allocated a portion of proceeds to pay for the facility you are contractually committed to acquire by September of 2005. Please revise to include the estimated amounts intended to be used for this purpose.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations, page 36

16. We have reviewed your revisions in response to prior comment 54; however, we re-issue the comment. Please include a more robust explanation for the 126.8 percent increase in revenues from the nine months ended September 30, 2003 to the nine months ended September 30, 2004. It appears that the increase in the number of new clients did not have material effect on this increase. In light of the fact that your revenues are largely predictable as a result of the long-term nature of your agreements, it is not clear what caused the large increase presented here.

Principal Stockholders-Page 75

Termination of Stockholder Agreement

17. We note your response to previous comment 62. Do the indemnification provisions discussed in Section 8 (d)-(f) of the Supplemental Stockholder Agreement dated December 3, 2004 extend indemnification protection to any of your directors and executive officers beyond that which you have provided and disclosed on page II-1 of your originally filed registration statement? If so, please discuss the differences in your document. We note that the Stockholder Agreement indemnifies the purchasers, as well as any partners, members, directors, officers, affiliates, legal counsel and each person who controls the purchasers, and that some of your officer and directors serve as partners to the

Underwriting

18. Please supplementally confirm that the i-Deal materials have not changed since you obtained clearance from the Office of Chief Counsel.

19. Supplementally tell us who falls within the category of "friends and family" of directors. For example, are Oak Hill Partners and FTV Ventures parties that may participate in the directed share program as "friends and family members?" We note that some of your directors are partners with Oak Hill and FTV Ventures.

Note 1-Organization, Basis of Presentation and Business Combinations

20. We note your response to comment 71, however, your disclosure indicates that Consec's waiver of \$11 million in advances to the Company, as well as Consec's \$1 million contribution to the Company were "key transactions" of the acquisition. Please explain

to us in further detail the timing of these transactions as they appear to have occurred in contemplation of the acquisition and provide us with more substantive reasons why you do not believe they should be factored into your purchase price calculation. Refer to paragraphs 44 and 45 of SFAS No. 141.

Note 3 - Restatement

21. Related to prior comment 75, please supplementally explain the nature of the services provided by Oak Hill. Specifically, tell us whether the amounts due to Oak Hill were contractually based or determined in some other manner. In addition, please clarify the facts and circumstances that resulted in the error and how the error was detected. Finally, please explain why you had disclosed the change as a renegotiation in your prior filing instead of as an error.

Note 7-Capital Structure

22. In your response to comment 76, you indicate that mandatory redemption events include "if either or both Vikram Talwar or Rohit Kapoor resign from or are terminated or are otherwise no longer employed by the Company or any of its subsidiaries for any reason." These appear to be events that are certain to occur and would require classification as a liability in accordance with paragraphs 9 and A6 of SFAS No. 150. Please advise.

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As appropriate, please amend your registration statement in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

You may contact Jay Spinella at 202-942-7323 or Steven Jacobs, Senior Accountant, at 202-942-5222 if you have questions regarding comments on the financial statements and related matters. Please contact Charito A. Mittelman at 202-942-2946 or me at 202-942-1971 with any other questions.

Sincerely,

Owen Pinkerton
Senior Counsel

cc: John C. Kennedy, Esq. (via facsimile)
Valerie DeMont, Esq. (via facsimile)

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Vikram Talwar
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