

Auditors' Report on Consolidated Quarterly Financial Results and Consolidated Year to Date Financial Results of Firstsource Solutions Limited Pursuant to Clause 41 of the Listing Agreement**To the Board of Directors of
Firstsource Solutions Limited**

We have audited the consolidated quarterly financial results of Firstsource Solutions Limited ('the Company') for the quarter ended 30 September 2011 and the consolidated year to date financial results for the period from 1 April 2011 to 30 September 2011, attached herewith, being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement except for the disclosure regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These consolidated quarterly financial results as well as the consolidated year to date financial results have been prepared from the consolidated interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25 'Interim Financial Reporting', prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956, accounting standards issued by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

- 1) Without qualifying our opinion, we draw attention to Note 4 of the financial results that describes the adoption by the Company of Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurements, read with AS-31, Financial Instruments – Presentation, as applicable, along with prescribed limited revisions to other accounting standards, issued by the Institute of Chartered Accountants of India, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. AS 30, along with limited revisions to the other accounting standards, has not currently been notified by the National Advisory Council for Accounting Standards (NACAS) pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956. Consequent to early adoption of AS 30 and the related limited revisions, consolidated profit after taxation for the quarter and six months ended 30 September 2011 higher by Rs 9,127 lacs and Rs 8,828 lacs respectively.

Auditors' Report (*Continued*)

Firstsource Solutions Limited

- 2) In our opinion and to the best of our information and according to the explanations given to us, read with paragraph 1 above, these consolidated quarterly financial results as well as consolidated year to date results:
- i. include the quarterly and year to date financial results of the following entities:
 - a. Firstsource Solutions Limited
 - b. Firstsource Group USA, Inc.
 - c. Firstsource Solutions UK Limited
 - d. Firstsource Solutions S.A.
 - e. Firstsource Advantage LLC
 - f. RevIT Systems Private Limited
 - g. Firstsource Business Process Services, LLC
 - h. MedAssist Holding, Inc
 - i. Firstsource Solutions USA, LLC
 - j. Firstsource Transaction Services LLC
 - k. Firstsource Financial Solutions, LLC
 - l. Twin Lake Property, LLC - I
 - m. Firstsource Dailog Solutions (Private) Limited
 - n. Anunta Tech Infrastructure Services Limited
 - ii. have been presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard ; and
 - iii. give a true and fair view of the consolidated results and other financial information for the quarter ended 30 September 2011 as well as consolidated year to date financial results for the period from 1 April 2011 to 30 September 2011.
- 3) Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the consolidated number of shares as well as percentage of shareholdings in respect of aggregate amount of consolidated public shareholdings, as furnished by the Company in terms of Clause 35 of the Listing Agreement and found the same to be correct.

For **BSR & Co.**
Chartered Accountants
Firm's Registration No: 101248W



Bhavesh Dhupelia
Partner
Membership No: 042070

Mumbai
8 November 2011

Firstsource Solutions Limited AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2011 (Rs. in lakhs, except per share data)					
Particulars	Quarter ended September 30,		Six months ended September 30,		Year ended March 31,
	2011	2010	2011	2010	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	5,28,70.60	4,90,01.34	10,47,59.84	9,65,88.96	20,11,01.83
Other operating income	4,32.10	13,55.58	8,50.46	28,38.37	44,25.95
Total income from operations	5,33,02.70	5,03,56.92	10,56,10.30	9,94,27.33	20,55,27.78
Personnel costs	3,51,27.64	3,09,24.65	6,97,42.90	6,09,09.14	12,72,99.42
Operating costs	1,35,54.84	1,23,79.19	2,69,59.65	2,46,58.26	4,99,08.99
Depreciation and amortisation	22,50.90	21,29.76	44,46.80	42,58.81	89,07.64
Profit before other income, finance charges, taxation and minority interest	23,69.32	49,23.32	44,60.95	96,01.12	1,94,11.73
Other income	5,10.77	87.87	6,57.49	3,23.09	14,18.97
Gain on FCCB buyback, net	37.94	-	37.94	-	-
Profit before finance charges, taxation and minority interest	29,18.03	50,11.19	51,56.38	99,24.21	2,08,30.70
Finance charges, net	3,09.42	8,56.86	10,11.53	17,03.89	33,00.54
Profit before taxation and minority interest	26,08.61	41,54.33	41,44.85	82,20.32	1,75,30.16
Provision for taxation					
a) Current tax expenses including foreign taxes	5,90.41	4,83.48	11,24.24	16,15.43	32,51.78
b) Deferred tax charge	18.63	6,38.33	1,19.64	4,92.62	11,97.29
c) Minimum alternate tax credit entitlement	(1,41.81)	(3,30.85)	(3,17.91)	(5,20.37)	(9,55.61)
Profit after taxation and before minority interest	21,41.38	33,63.37	32,18.88	66,32.64	1,40,36.70
Minority interest	(3.97)	41.98	9.01	1,03.99	1,85.77
Net profit after taxation and minority interest	21,45.35	33,21.39	32,09.87	65,28.65	1,38,50.93
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	-	-	4,30,77.63	4,30,06.51	4,30,63.82
Reserves excluding Revaluation Reserve	-	-	9,73,66.35	9,74,81.47	9,92,08.17
Earning Per Share (Rs.): (Not Annualized)					
-Basic	0.50	0.77	0.75	1.52	3.22
-Diluted	0.48	0.70	0.75	1.37	2.91
Aggregate of non-promoter shareholding (unaudited)					
- Number of shares of Rs. 10	345,236,587	338,829,753	345,236,587	338,829,753	345,098,462
- Percentage of shareholding	80.14%	78.79%	80.14%	78.79%	80.14%
Promoters' and promoter group shareholding					
a) Pledged/ Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	85,539,720	91,235,304	85,539,720	91,235,304	85,539,720
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100%
- Percentage of shares (as a % of the total share capital of the company)	19.86%	21.21%	19.86%	21.21%	19.86%
Notes to financials results :					
1. The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on November 8, 2011. The standalone financial results for the six months and quarter ended September 30, 2011 are available on the Company's website (www.firstsource.com) and the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).					
2. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. Minority interest's share of profits or losses is adjusted against income to arrive at the net income attributable to the Company's shareholders.					
3. During the quarter, pursuant to RBI notification, the Company has brought back and cancelled 210 FCCBs of the face value of USD 100,000 each under the Automatic route. The Company has recognised net gain of Rs 37.94 lacs (30 September 2010: Nil) on the said buyback.					
4. Effective year ended March 31, 2009, the company has early adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement", pursuant to announcement made by the Institute of Chartered Accountants of India (ICAI).					
5. Standalone Information (Audited)					
	Quarter ended 30 September		Six months ended 30 September		Year ended 31
	2011	2010	2011	2010	March 11
Total income from operations	1,93,99.15	1,75,35.42	3,76,83.32	3,39,93.12	7,02,96.86
Net profit before taxation	8,42.53	22,17.39	15,56.21	37,14.10	69,56.00
Net profit after taxation	8,13.57	21,19.61	15,30.57	34,55.92	66,28.69
6. During the quarter, 122,500 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.					
7. During the quarter, 11 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.					
8. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.					

9. Statement of assets and liabilities (Consolidated - Audited)			
	As at September 30,		As at March 31,
	2011	2010	2011
Shareholders' funds			
Share capital	4,30,77.63	4,30,06.51	4,30,63.82
Reserves and surplus	9,73,66.35	9,74,81.47	9,92,08.17
Minority interest	1,43.17	6,00.71	10.80
Loan funds	20,86,57.37	14,02,23.03	14,93,26.73
Deferred tax liability, net	11,41.06	-	5,79.54
	35,03,85.58	28,13,11.72	29,21,89.06
Goodwill on consolidation			
Fixed assets	22,31,13.15	20,68,74.85	20,45,40.26
Investments	2,17,25.11	1,57,14.18	2,28,53.24
Deferred tax assets, net	1,11,76.35	1,20,85.67	1,32,93.39
Current Assets, loans and advances			
Sundry debtors	2,84,66.39	3,06,79.09	2,38,87.28
Unbilled receivables	85,75.19	76,82.39	10,366.56
Cash and bank balances	7,90,95.15	1,31,06.59	3,24,61.74
Loans and advances	1,87,15.82	2,03,62.94	1,68,54.11
Less: Current liabilities and provisions			
Current liabilities	3,45,48.29	1,67,91.95	2,72,73.72
Provisions	59,33.09	84,74.54	47,93.80
Net current assets	9,43,70.97	4,65,64.52	5,15,02.17
	350,385.58	281,311.72	292,189.06

Segment Reporting

Particulars	Quarter ended September 30,		Six months ended September 30,		Year ended March 31,
	2011	2010	2011	2010	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment Revenue					
a) UK	1,69,62.16	1,40,86.74	3,38,60.06	2,68,15.78	6,14,53.22
b) USA and Canada	2,75,24.28	2,87,81.75	5,54,72.24	5,80,88.62	11,52,91.96
c) India	73,00.48	56,13.01	1,35,39.73	1,06,63.97	2,22,54.02
d) Rest of the World	10,83.68	5,19.84	18,87.81	10,20.59	21,02.63
Total	5,28,70.60	4,90,01.34	10,47,59.84	9,65,88.96	20,11,01.83
Less: Inter Segment Revenue	-	-	-	-	-
Net Segment Revenue	5,28,70.60	4,90,01.34	10,47,59.84	9,65,88.96	20,11,01.83
Segment results before taxation and interest					
a) UK	31,23.19	42,89.02	64,75.86	83,83.26	174,53.64
b) USA and Canada	32,60.96	30,30.27	58,92.33	70,91.40	166,96.28
c) India	11,28.28	6,45.01	14,11.31	8,79.06	16,62.69
d) Rest of the World	1,87.63	2,37.41	4,69.67	4,24.23	8,46.65
Total	77,00.06	82,01.71	1,42,49.17	1,67,77.95	3,66,59.26
i) Finance charges, net	(3,09.42)	(8,56.86)	(10,11.53)	(17,03.89)	(33,00.54)
ii) Other unallocable expenditure net of unallocable income	(47,82.03)	(31,90.52)	(90,92.79)	(68,53.74)	(1,58,28.56)
Profit before taxation and minority interest	26,08.61	41,54.33	41,44.85	82,20.32	1,75,30.16
Capital Employed					
a) UK			1,05,22.61	1,61,72.33	1,12,68.49
b) USA and Canada			22,62,89.78	20,56,23.40	20,56,19.23
c) India			53,38.19	58,50.56	46,37.87
d) Rest of the World			9,60.40	5,46.29	2,24.76
e) Unallocated			10,72,74.60	5,31,19.13	7,04,38.71
			35,03,85.58	28,13,11.71	29,21,89.06

Notes on segment information

Primary segments

The Primary segment of the company is geography, identified on the basis of the location of the customer which in the opinion of management, is the predominant source of risk and rewards. The business of the Group is organized into four key geographic segments comprising United Kingdom, United States of America and Canada, India and Rest of the World.

Capital employed

Capital employed comprises debtors including unbilled receivables and goodwill on consolidation directly attributable to the reportable segments. As the fixed assets and services are used interchangeably between the segments by the Group's businesses and liabilities contracted have not been identified to any of the reportable segments, the Group believes that it is currently not practicable to provide segment disclosures relating to these assets and liabilities and hence, has been included under unallocated.

By order of the Board
For Firstsource Solutions Limited

Alexander Matthew Vallance
Managing Director and CEO

Mumbai, India
November 8, 2011



Auditors' Report on Quarterly Financial Results and Year to Date Financial Results of Firstsource Solutions Limited Pursuant to Clause 41 of the Listing Agreement**To the Board of Directors of
Firstsource Solutions Limited**

We have audited the quarterly financial results of Firstsource Solutions Limited ('the Company') for the quarter ended 30 September 2011 and the year to date financial results for the period from 1 April 2011 to 30 September 2011, attached herewith, being submitted by the Company pursuant to the requirements of Clause 41 of the Listing Agreement except for the disclosure regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with recognition and measurement principles laid down in Accounting Standard (AS) 25 'Interim Financial Reporting', prescribed by the Companies (Accounting Standard) Rules, 2006 as per section 211(3C) of the Companies Act, 1956, accounting standards issued by the Institute of Chartered Accountants of India and other accounting principles generally accepted in India.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

1. Without qualifying our opinion, we draw attention to Note 3 of the financial results that describes the adoption by the Company of Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurements, read with AS-31, Financial Instruments – Presentation, as applicable, along with prescribed limited revisions to other accounting standards, issued by the Institute of Chartered Accountants of India, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. AS 30, along with limited revisions to the other accounting standards, has not currently been notified by the National Advisory Council for Accounting Standards (NACAS) pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956. Consequent to early adoption of AS 30 and the related limited revisions, profit after taxation for the quarter and six months ended 30 September 2011 higher by Rs 4,114 lacs and Rs 3,814 lacs respectively.

Auditors' Report (*Continued*)

Firstsource Solutions Limited

2. In our opinion and to the best of our information and according to the explanations given to us, read with paragraph 1, these quarterly financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of Clause 41 of the Listing Agreement in this regard; and
 - ii. give a true and fair view of the profit and other financial information for the quarter ended 30 September 2011 as well as the year to date results for the period from 1 April 2011 to 30 September 2011.
3. Further, we also report that we have, on the basis of books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings as furnished by the Company in terms of Clause 35 of the Listing agreement and found the same to be correct.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W

B. H. Dhupelia

Mumbai
8 November 2011

Bhavesh Dhupelia
Partner
Membership No: 042070

Firstsource Solutions Limited

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2011

(Rs. in lakhs, except per share data)

Particulars	Quarter ended September 30,		Six months ended September 30,		Year ended March 31,
	2011	2010	2011	2010	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	1,92,20.90	1,62,42.15	3,72,28.22	3,13,59.00	6,65,78.92
Other operating income	1,78.25	12,93.27	4,55.10	26,34.12	37,17.94
Total income from operations	1,93,99.15	1,75,35.42	3,76,83.32	3,39,93.12	7,02,96.86
Total Expenditure					
Personnel costs	1,05,20.10	91,05.66	2,06,65.77	1,80,28.11	3,66,66.52
Operating costs	66,91.81	53,67.77	1,32,76.12	1,08,83.01	2,38,50.50
Depreciation and amortisation	15,07.34	13,29.74	29,56.48	26,38.43	57,37.95
Profit before other income, finance charges and taxation	6,79.90	17,32.25	7,84.95	24,43.57	40,41.89
Other income	6,82.03	3,26.78	9,18.63	6,58.65	16,83.29
Gain on FCCB buyback, net	37.94	-	37.94	-	-
Profit before finance charges and taxation	13,99.87	20,59.03	17,41.52	31,02.22	57,25.18
Finance charges, net	5,57.34	(1,58.36)	1,85.31	(6,11.88)	(12,30.82)
Profit before taxation	8,42.53	22,17.39	15,56.21	37,14.10	69,56.00
Provision for taxation					
a) Current tax expenses	2,28.62	4,90.44	4,54.68	8,19.92	15,51.54
b) Deferred tax release	(57.85)	(1,11.23)	(1,11.13)	(1,75.86)	(5,40.80)
c) Minimum alternate tax credit entitlement	(1,41.81)	(2,81.43)	(3,17.91)	(3,85.88)	(6,83.43)
Net profit after taxation	8,13.57	21,19.61	15,30.57	34,55.92	66,28.69
Paid-up Equity Share Capital (Face Value of Share Rs. 10)			4,30,77.63	4,30,06.51	4,30,63.82
Reserves excluding Revaluation Reserve			5,64,70.98	6,24,15.32	6,05,40.68
Earning Per Share (Rs.) :					
-Basic	0.19	0.49	0.36	0.80	1.54
-Diluted	0.19	0.47	0.36	0.78	1.52
Aggregate of non- promoter shareholding (unaudited)					
- Number of shares of Rs. 10	345,236,587	338,829,753	345,236,587	338,829,753	345,098,462
- Percentage of shareholding	80.14%	78.79%	80.14%	78.79%	80.14%
Promoters' and promoter group shareholding					
a) Pledged/ Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	85,539,720	91,235,304	85,539,720	91,235,304	85,539,720
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	19.86%	21.21%	19.86%	21.21%	19.86%

Notes to financials results :

- The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on November 8, 2011.
- During the quarter, pursuant to RBI notification, the Company has brought back and cancelled 210 FCCBs of the face value of USD 100,000 each under the Automatic route. The Company has recognised net gain of Rs 37.94 lacs (30 September 2010: Nil) on the said buyback.
- Effective year ended March 31, 2009, the company has early adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement", pursuant to announcement made by the Institute of Chartered Accountants of India (ICAI).
- During the quarter, 122,500 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter, 11 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

7. Statement of Assets and liabilities (Audited)

	As at September 30,		As at March 31,
	2011	2010	2011
Shareholders' funds			
Share capital	4,30,77.63	4,30,06.51	4,30,63.82
Reserves and surplus	5,64,70.98	6,24,15.32	6,05,40.68
Loan funds	12,04,85.42	12,52,26.63	13,35,19.98
	22,00,34.03	23,06,48.46	23,71,24.48
Fixed assets	1,48,08.12	1,00,59.81	1,57,63.52
Investments	12,11,66.12	11,21,61.84	11,05,05.94
Deferred tax assets, net	36,88.80	32,12.72	35,77.66
Current Assets, loans and advances			
Sundry debtors	1,40,26.52	1,55,06.37	1,52,98.84
Unbilled receivables	26,58.93	30,81.71	49,95.20
Cash and bank balances	6,11,06.61	22,32.55	1,47,76.32
Loans and advances	1,95,36.94	8,65,24.34	8,02,41.70
Less: Current liabilities and provisions			
Current liabilities	2,45,03.27	79,16.56	1,62,59.56
Provisions	38,21.95	55,81.53	31,42.35
Net current assets	6,90,03.78	9,38,46.88	9,59,10.15
Amalgamation deficit adjustment reserve	1,13,67.21	1,13,67.21	1,13,67.21
	22,00,34.03	23,06,48.46	23,71,24.48

Mumbai, India
November 8, 2011



Alexander Matthew Vallance
Managing Director and CEO