

**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 31 December 2011 and the consolidated year to date financial results for the period from 1 April 2011 to 31 December 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 nine months ended 31 December 2011 higher by Rs 7,669 lacs and Rs 16,498 lacs respectively.

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**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
    - o. Firstsource BPO Ireland 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 31 December 2011 as well as consolidated year to date financial results for the period from 1 April 2011 to 31 December 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



**Vijay Bhatt**  
*Partner*

Membership No: 036647

Mumbai  
31 January 2012

**Firstsource Solutions Limited**  
**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2011**

Particulars	(Rs. in lakhs, except per share data)					
	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2011 (Audited)	2011 (Audited)	2010 (Audited)	2011 (Audited)	2010 (Audited)	2011 (Audited)
Income from services	5,81,38.37	5,28,70.80	5,04,82.41	16,28,08.21	14,70,71.37	20,11,01.83
Other operating income	(4,29.91)	4,32.10	9,77.58	4,20.54	38,15.84	44,25.05
Total income from operations	5,77,08.46	5,33,02.70	5,14,60.00	16,33,16.75	15,08,87.31	20,55,27.78
Personnel costs	3,09,49.78	3,51,27.64	3,23,21.48	10,96,92.68	9,32,30.82	12,72,99.42
Operating costs	1,34,53.75	1,35,54.84	1,26,70.26	4,03,98.06	3,72,61.26	4,99,08.99
Depreciation and amortisation	22,96.36	22,50.90	23,15.58	67,43.18	65,74.39	69,07.64
Profit before other income, finance charges, taxation and minority interest	20,06.57	23,69.32	41,52.67	64,82.85	1,38,21.04	1,94,11.73
Other income	83.34	5,10.77	11,21.28	7,05.51	13,77.12	14,18.97
Profit before finance charges, taxation and minority interest	20,89.91	28,80.09	52,73.95	71,88.36	1,51,98.16	2,08,30.70
Finance charges, net	4,17.57	3,06.42	8,62.48	14,29.10	25,96.37	33,00.54
Loss / (Gain) on FCCB buyback, net	7,14.11	(37.94)	-	8,78.18	-	-
Profit before taxation and minority interest	9,38.23	26,08.61	44,11.47	50,83.08	1,26,31.79	1,75,30.16
Provision for taxation						
a) Current tax expenses including foreign taxes	10,08.34	5,90.41	9,42.80	21,32.58	25,58.03	32,51.78
b) Deferred tax (release) / charge	(2,25.03)	18.83	2,36.87	(1,05.39)	7,29.49	11,07.29
c) Minimum alternate tax credit entitlement	(5,49.47)	(1,41.81)	(3,44.30)	(8,67.38)	(8,64.87)	(9,55.61)
Profit after taxation and before minority interest	7,04.39	21,41.38	35,76.30	39,23.27	1,02,08.94	1,40,38.70
Minority interest	18.78	(3.97)	80.03	27.79	1,84.02	1,85.77
Net profit after taxation and minority interest	6,85.61	21,45.35	34,96.27	38,95.48	1,00,24.92	1,38,50.93
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	-	-	-	4,30,77.63	4,30,06.51	4,30,83.82
Reserves excluding Revaluation Reserve	-	-	-	9,61,09.48	9,74,81.47	9,92,06.17
Earning Per Share (Rs.) : (Not Annualized)						
- Basic	0.16	0.50	0.81	0.90	2.33	3.22
- Diluted	0.18	0.48	0.73	0.90	2.11	2.91
Aggregate of non-promoter shareholding (unaudited)						
- Number of shares of Rs. 10	345,236,587	345,236,587	343,065,761	345,236,587	343,065,761	345,068,462
- Percentage of shareholding	80.14%	80.14%	79.76%	80.14%	79.76%	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	85,539,720	87,072,421	85,539,720	87,072,421	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%	100.00%	100%
- Percentage of shares (as a % of the total share capital of the company)	19.86%	19.86%	20.24%	19.86%	20.24%	19.86%

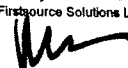
**Notes to financials results :**

- The above results were reviewed by the Audit Committee on January 30, 2012 and adopted by the Board of Directors at their meeting held on January 31, 2012. The standalone financial results for the nine months and quarter ended December 31, 2011 are available on the Company's website ([www.firstsource.com](http://www.firstsource.com)) and the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 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.
- During the quarter and nine months ended 31 December 2011, pursuant to RBI notification, the Company has bought back and cancelled 216 and 428 FCCBs of the face value of USD 100,000 each under the Automatic route. The Company has recognised net loss of Rs 714.11 lakh and Rs 876.18 lakh (31 December 2010: Nil) for the quarter and nine months ended 31 December 2011 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).
- Standalone Information (Audited)

	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended 31 December		Year ended 31
	2011	2011	2010	2011	2010	March 2011
Total income from operations	1,88,39.14	1,83,99.15	1,80,07.99	5,65,22.48	5,20,01.11	7,02,98.88
Net profit before taxation	17,11.36	8,42.53	17,44.44	32,87.51	54,58.53	89,58.00
Net profit after taxation	19,38.88	8,13.57	17,11.80	34,69.23	51,87.72	96,28.69

- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.
- During the quarter, no Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter, 10 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.



Segment Reporting						
Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended 31 December		Year ended March 31,
	2011	2011	2010	2011	2010	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>						
a) UK	1,83,93.30	1,89,62.18	1,86,33.94	5,22,53.36	4,34,49.72	8,14,53.22
b) USA and Canada	2,98,98.82	2,75,24.28	2,78,10.98	8,53,88.88	8,58,99.61	11,52,91.98
c) India	69,07.51	73,00.48	55,14.12	2,04,47.24	1,81,78.09	2,22,54.02
d) Rest of the World	29,38.94	10,83.88	5,23.37	48,26.75	15,43.95	21,02.83
<b>Total</b>	<b>5,81,38.57</b>	<b>5,28,70.60</b>	<b>5,04,82.41</b>	<b>16,28,96.21</b>	<b>14,70,71.37</b>	<b>20,11,01.83</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Net Segment Revenue</b>	<b>5,81,38.57</b>	<b>5,28,70.60</b>	<b>5,04,82.41</b>	<b>16,28,96.21</b>	<b>14,70,71.37</b>	<b>20,11,01.83</b>
<b>Segment results before taxation and interest</b>						
a) UK	28,45.84	31,23.19	43,88.80	93,21.50	1,27,72.08	1,74,53.84
b) USA and Canada	27,23.92	32,60.96	56,22.52	86,16.25	1,27,13.92	1,68,98.28
c) India	7,29.72	11,28.28	2,46.15	21,41.03	11,25.20	18,62.89
d) Rest of the World	1,78.23	1,87.63	2,32.48	6,47.90	6,56.89	8,48.65
<b>Total</b>	<b>64,77.51</b>	<b>77,00.06</b>	<b>1,04,89.93</b>	<b>2,07,26.68</b>	<b>2,72,67.89</b>	<b>3,68,59.26</b>
i) Finance charges, net	(11,31.68)	(3,09.42)	(6,62.48)	(21,06.28)	(25,88.37)	(33,00.54)
ii) Other unallocable expenditure net of unallocable income	(44,07.60)	(47,82.03)	(52,15.98)	(1,35,38.32)	(1,20,69.73)	(1,58,28.58)
<b>Profit before taxation and minority interest</b>	<b>9,38.23</b>	<b>26,08.61</b>	<b>44,11.47</b>	<b>50,83.08</b>	<b>1,26,31.79</b>	<b>1,75,30.16</b>
<b>Capital Employed</b>						
a) UK				1,40,83.09	1,20,64.26	1,12,66.49
b) USA and Canada				24,45,56.64	20,27,98.85	20,58,19.23
c) India				66,65.88	53,06.10	48,37.87
d) Rest of the World				23,56.91	3,94.29	2,24.76
e) Unallocated				8,73,99.06	6,52,80.78	7,04,38.71
				<b>35,50,38.38</b>	<b>28,56,44.26</b>	<b>29,21,89.06</b>
<b>Notes on segment information</b>						
<b>Primary segments</b>						
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.						
<b>Capital Employed</b>						
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.						
Mumbai, India January 31, 2012				By order of the Board For Firstsource Solutions Limited  Alexander Matthew Vallance Managing Director and CEO		



**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 31 December 2011 and the year to date financial results for the period from 1 April 2011 to 31 December 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 nine months ended 31 December 2011 higher by Rs 6,584 lacs and Rs 10,398 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 31 December 2011 as well as the year to date results for the period from 1 April 2011 to 31 December 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

  
**Vijay Bhatt**  
*Partner*

Mumbai  
31 January 2012

Membership No: 036647

**Firstsource Solutions Limited**  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2011**

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2011	2011	2010	2011	2010	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	1,94,96.24	1,92,20.90	1,71,34.40	5,67,24.46	4,84,93.40	6,65,76.92
Other operating income	( 6,57.10)	1,78.25	8,73.59	( 2,02.00)	35,07.71	37,17.94
<b>Total Income from operations</b>	<b>1,88,39.14</b>	<b>1,93,99.15</b>	<b>1,80,07.99</b>	<b>5,65,22.46</b>	<b>5,20,01.11</b>	<b>7,02,94.86</b>
Total Expenditure						
Personnel costs	1,10,29.55	1,05,20.10	93,15.67	3,16,95.34	2,73,43.77	3,66,66.52
Operating costs	62,63.38	66,91.81	66,17.10	1,95,24.38	1,74,55.65	2,38,50.50
Depreciation and amortisation	15,04.12	15,07.34	14,81.95	44,80.81	41,30.39	67,37.95
<b>Profit before other income, finance charges and taxation</b>	<b>42.09</b>	<b>6,79.90</b>	<b>6,63.27</b>	<b>8,42.13</b>	<b>30,71.30</b>	<b>40,41.89</b>
Other income	4,88.59	6,82.03	8,38.76	13,92.10	14,52.95	16,83.29
<b>Profit before finance charges and taxation</b>	<b>6,30.68</b>	<b>13,61.93</b>	<b>14,22.03</b>	<b>22,34.23</b>	<b>45,24.25</b>	<b>57,25.18</b>
Finance charges, net	( 18,94.79)	5,57.34	( 3,22.41)	( 17,09.48)	( 9,34.28)	( 12,30.82)
Loss / (gain) on FCCB buyback, net	7,14.11	(37.94)	-	6,76.18	-	-
<b>Profit before taxation</b>	<b>17,11.36</b>	<b>8,42.53</b>	<b>17,44.44</b>	<b>32,67.51</b>	<b>54,58.53</b>	<b>69,56.00</b>
Provision for taxation						
a) Current tax expenses	4,13.15	2,28.82	4,00.46	8,67.83	12,20.37	15,51.54
b) Deferred tax release	(91.01)	(57.85)	(81.11)	( 2,02.16)	( 2,56.97)	( 5,40.80)
c) Minimum alternate tax credit entitlement	( 5,49.46)	( 1,41.81)	( 2,86.71)	( 8,67.39)	( 6,72.59)	( 6,83.43)
<b>Net profit after taxation</b>	<b>19,38.68</b>	<b>8,13.87</b>	<b>17,11.80</b>	<b>34,89.23</b>	<b>51,67.72</b>	<b>66,28.69</b>
Paid-up Equity Share Capital ( Face Value of Share Rs. 10)				4,30,77.63	4,30,13.82	4,30,63.82
Reserves excluding Revaluation Reserve				5,27,71.00	6,19,28.11	6,05,40.68
Earning Per Share (Rs.) :						
-Basic	0.45	0.19	0.40	0.81	1.20	1.54
-Diluted	0.25	0.19	0.39	0.81	1.17	1.52
Aggregate of non- promoter shareholding (unaudited)						
- Number of shares of Rs. 10	34,52,36,587	34,52,36,587	34,30,65,761	34,52,36,587	34,30,65,761	34,50,98,462
- Percentage of shareholding	80.14%	80.14%	79.76%	80.14%	79.76%	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	8,55,39,720	8,55,39,720	8,70,72,421	8,55,39,720	8,70,72,421	8,55,39,720
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	19.86%	19.86%	20.24%	19.86%	20.24%	19.86%

**Notes to financials results :**

- The above results were reviewed by the Audit Committee on January 30, 2012 and adopted by the Board of Directors at their meeting held on January 31, 2012.
- During the quarter and nine months ended 31 December 2011, pursuant to RBI notification, the Company has bought back and cancelled 216 and 426 FCCBs of the face value of USD 100,000 each under the Automatic route. The Company has recognised a net loss of Rs 714.11 lakh and Rs 676.18 lakh (31 December 2010: Nil) for the quarter and nine months ended 31 December 2011 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, no Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter, 10 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.



Mumbai, India  
January 31, 2012

**Alexander Matthew Vallance**  
Managing Director and CEO

