

# Firstsource Solutions Limited

## AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2008

(Rs.in million, except per share data)

Particulars	Quarter ended March 31,		Year ended March 31,	
	2008	2007	2008	2007
	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	3,692.43	2,683.84	12,406.14	8,168.48
Other operating income	63.72	89.75	581.81	141.68
	<b>3,756.15</b>	<b>2,773.59</b>	<b>12,987.95</b>	<b>8,310.16</b>
Other income	36.15	(15.28)	349.23	71.98
<b>Total Income</b>	<b>3,792.30</b>	<b>2,758.31</b>	<b>13,337.18</b>	<b>8,382.14</b>
Personnel costs	2,114.93	1,497.85	7,120.37	4,135.65
Operating costs	1,018.73	697.03	3,558.14	2,518.20
Finance charges, net	212.52	6.69	365.99	60.49
Depreciation and amortisation	226.96	199.94	860.82	641.46
<b>Net profit before tax and minority interest</b>	<b>219.16</b>	<b>356.80</b>	<b>1,431.86</b>	<b>1,026.34</b>
Provision for Taxation				
a) Current tax expenses (Incl. foreign tax)	62.18	0.86	287.70	39.39
b) Fringe benefit tax	10.63	6.04	23.21	15.33
c) Deferred tax charge /(release)	(59.92)	1.53	(184.43)	5.41
<b>Net profit after tax and before minority interest</b>	<b>206.27</b>	<b>348.37</b>	<b>1,305.38</b>	<b>966.21</b>
Minority Interest	(3.96)	(0.77)	(10.21)	(6.31)
<b>Net profit after tax and minority interest</b>	<b>210.23</b>	<b>349.14</b>	<b>1,315.59</b>	<b>972.52</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	-	-	4,273.13	4,250.84
Reserves excluding Revaluation Reserve	-	-	3,127.25	6,414.74
Earning Per Share (Rs.) : (Not Annualized)				
-Basic	0.49	0.89	3.09	3.67
-Diluted	0.38	0.84	2.83	2.50
Aggregate of non-promoter shareholding (unaudited)				
- Number of shares of Rs. 10	-	-	312,807,371	318,834,297
- Percentage of shareholding	-	-	73.20%	75.01%

### Notes to financials results :

1. The above results were reviewed by the Audit Committee and taken on record by Board of Directors at their meeting held on 29 April, 2008. The standalone financial results for the quarter and year ended March 31, 2008 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)).

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. Pursuant to recent announcement made by the Institute of Chartered Accountants of India (ICAI), entities were told that since Accounting Standard 30 "Financial Instruments: Recognition and measurement" (AS30) contains appropriate accounting for derivatives, the same can be followed by the entities, as the earlier adoption of a standard is always encouraged. Accordingly, the Company has followed the appropriate accounting for derivatives obtained in respect of highly probable forecasted receivables as contained in AS30 and accordingly the aggregate unrealised mark to market loss of Rs. 48.70 million assessed as at 31st March 2008 on the outstanding derivatives has been recognized in the Balance Sheet under "Hedging Reserve Account". As and when the receivables are recognized in the future, the associated gains or losses will be adjusted against the Hedging Reserve Account.

4. On 3rd December 2007, the Company has issued US\$ 275,000,000 Zero Coupon Convertible Bonds by private placement. The bonds are optionally convertible into equity shares of par value of Rs. 10, at any time on or after 14th January 2008 upto 23rd November 2012 at a conversion price of Rs. 92.2933 per share. The conversion price is subject to adjustments in certain circumstances. The premium on redemption is being charged to the securities premium account.

5. Finance charges for the quarter ended March 31, 2008 includes unrealised Mark to Market foreign exchange loss of Rs. 192.50 million on account of revaluation of Foreign Currency Convertible Bonds (FCCB) of USD 275 million since FCCB has been considered as monetary liability.

6. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

7. During the quarter 294,545 Equity Shares were issued pursuant to exercise of Options under the Employee Stock Option Schemes of the Company.

8. During the quarter, 15 Investors' complaints were received, 16 were resolved including 1 pending at the beginning of quarter and NIL were pending at the end of the quarter.



# Firstsource Solutions Limited

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2008

(Rs.in million, except per share data)

Particulars	Quarter ended March 31,		Year ended March 31,	
	2008	2007	2008	2007
	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	1,348.55	1,204.90	4,896.38	4,326.82
Other operating income	(15.14)	-	42.71	-
	<b>1,333.41</b>	<b>1,204.90</b>	<b>4,939.09</b>	<b>4,326.82</b>
Other income	30.17	13.39	107.79	65.83
<b>Total Income</b>	<b>1,363.58</b>	<b>1,218.29</b>	<b>5,046.88</b>	<b>4,392.65</b>
Total Expenditure				
Personnel costs	593.14	547.98	2,363.32	1,967.62
Operating costs	398.32	301.33	1,558.80	1,246.37
Finance charges, net	169.74	3.50	123.16	3.58
Depreciation and amortisation	130.16	127.70	532.82	412.47
<b>Net Profit before Tax</b>	<b>72.22</b>	<b>237.78</b>	<b>468.78</b>	<b>762.61</b>
Provision for Taxation				
a) Current tax expenses (Incl. foreign tax)	30.20	1.32	63.97	5.36
b) Fringe benefit tax	9.98	5.63	21.44	14.44
c) Deferred tax charge /(release)	(51.30)	-	(193.06)	-
<b>Net Profit after Tax</b>	<b>83.34</b>	<b>230.83</b>	<b>576.43</b>	<b>742.81</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	-	-	4,273.13	4,250.84
Reserves excluding Revaluation Reserve	-	-	2,019.66	6,039.05
Earning Per Share (Rs.) : (Not Annualized)				
-Basic	0.20	0.60	1.35	2.80
-Diluted	0.15	0.56	1.24	1.91
Aggregate of non-promoter shareholding (unaudited)				
- Number of shares of Rs. 10	-	-	312,807,371	318,834,297
- Percentage of shareholding	-	-	73.20%	75.01%

### Notes to financials results :

1. The above results were reviewed by the Audit Committee and taken on record by Board of Directors at their meeting held on 29 April, 2008.

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# Segment Reporting

(Rs.in million)

Particulars	Quarter ended March 31,		Year ended March 31,	
	2008	2007	2008	2007
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>				
a) UK	1,063.14	1,216.70	4,338.83	3,975.74
b) USA and Canada	2,273.16	1,321.18	6,705.16	3,863.72
c) India	351.30	141.35	1,344.47	310.72
d) Rest of the world	4.83	4.61	17.68	18.30
<b>Total</b>	<b>3,692.43</b>	<b>2,683.84</b>	<b>12,406.14</b>	<b>8,168.48</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>3,692.43</b>	<b>2,683.84</b>	<b>12,406.14</b>	<b>8,168.48</b>
<b>segment results before Tax and Interest</b>				
a) UK	345.06	598.19	1,654.20	1,311.94
b) USA and Canada	252.29	352.53	640.72	719.75
c) India	94.81	(17.24)	376.15	31.80
d) Rest of the world	1.51	1.93	4.98	10.07
<b>Total</b>	<b>693.67</b>	<b>935.41</b>	<b>2,676.05</b>	<b>2,073.56</b>
i) Finance charges, net	(212.52)	(6.69)	(365.99)	(60.49)
ii) Other unallocable expenditure net off unallocable Income	(261.99)	(571.92)	(878.20)	(986.73)
<b>Profit before tax and minority interest</b>	<b>219.16</b>	<b>356.80</b>	<b>1,431.86</b>	<b>1,026.34</b>
<b>Capital Employed</b>				
a) UK			790.68	614.21
b) USA and Canada			1,170.64	673.83
c) India			88.96	44.41
d) Rest of the world			3.50	2.92
			<b>2,053.78</b>	<b>1,335.37</b>

## Notes on segment information

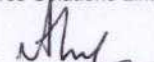
### Primary segments

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

### Capital Employed

Capital employed comprises debtors, classified by reportable segments. As the fixed assets and services are used interchangeably between the segments by the Group's business 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.

By order of the Board  
For Firstsource Solutions Limited



Ananda Mukerji  
Managing Director and CEO

Mumbai , India  
April 29, 2008