

April 28, 2009

To:  
National Stock Exchange of India Ltd. (Scrip Code: **FSL**)  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051.

Fax. No. 91 22 26598237

Bombay Stock Exchange Ltd (Scrip Code : **532809**)  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Fax. No. 91 22 22723121

Dear Sirs,

**Sub: Clause 41: Declaration of Audited Annual Financial results for the  
year ended March 31, 2009**

We wish to inform you that the Board of Directors of the Company have at their meeting held on April 28, 2009, approved the Audited Annual Standalone and Consolidated Financial Results for the year ended March 31, 2009, copies of which are enclosed herewith.

We request you to take the above on record.

Thanking you,

For **Firstsource Solutions Limited**

  
**Sanjay Gupta**  
Company Secretary

# Firstsource Solutions Limited

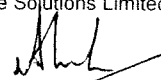
## AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR QUARTER AND YEAR ENDED MARCH 31, 2009

(Rs. in lakhs, except per share data)

Particulars	Quarter ended March 31,		Year ended March 31,	
	2009	2008	2009	2008
	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	4,74,61.80	3,69,24.28	17,52,52.08	12,40,61.38
Other operating income	(2,32.19)	6,37.21	(3,15.10)	58,18.11
<b>Total income from operations</b>	<b>4,72,29.61</b>	<b>3,75,61.49</b>	<b>17,49,36.98</b>	<b>12,98,79.49</b>
Total Expenditure				
Personnel costs	2,77,26.82	2,11,49.33	10,25,28.84	7,12,03.69
Operating costs	1,45,70.99	1,01,87.26	5,04,25.12	3,55,81.35
Depreciation and amortisation	27,15.43	22,69.55	96,13.18	86,08.20
	<b>22,16.37</b>	<b>39,55.35</b>	<b>1,23,69.84</b>	<b>1,44,86.25</b>
<b>Profit before other income, finance charges, taxation and minority interest</b>				
Other income (Refer note 6)	(29,74.94)	3,61.46	(33,67.47)	34,92.33
- Gain on FCCB buyback, net (Refer note 5)	63,49.80	-	63,49.80	-
<b>Profit before Finance charges, taxation and minority interest</b>	<b>55,91.23</b>	<b>43,16.81</b>	<b>1,53,52.17</b>	<b>1,79,78.58</b>
Finance charges, net				
a) Finance cost, net	13,12.52	2,13.98	25,00.75	17,34.90
b) Foreign exchange loss on FCCB	-	19,11.25	77,82.42	19,25.00
<b>Net profit before taxation and minority interest</b>	<b>42,78.71</b>	<b>21,91.58</b>	<b>50,69.00</b>	<b>1,43,18.68</b>
Provision for Taxation				
a) Current tax expenses	7,05.84	6,21.76	26,86.94	28,76.98
b) Fringe benefit tax	73.82	1,06.28	2,52.68	2,32.08
c) Deferred tax release	(5,21.81)	(5,99.21)	(6,99.21)	(18,44.26)
d) Minimum alternate tax credit entitlement carried forward	(64.64)	-	(2,49.67)	-
<b>Net profit after tax and before minority interest</b>	<b>40,85.50</b>	<b>20,62.75</b>	<b>30,78.26</b>	<b>1,30,53.88</b>
Minority Interest	(1.86)	(39.63)	11.04	(1,02.08)
<b>Net profit after tax and minority interest</b>	<b>40,87.36</b>	<b>21,02.38</b>	<b>30,67.22</b>	<b>1,31,55.96</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	-	-	4,28,18.97	4,27,31.30
Reserves excluding Revaluation Reserve	-	-	9,51,24.25	3,12,72.50
Earning Per Share (Rs.) * :				
-Basic	0.95	3.67	0.72	3.09
-Diluted	0.95	2.50	0.72	2.83
* Not annualised for quarter ending				
Public shareholding				
- Number of shares of Rs. 10	313,696,085	312,807,371	313,696,085	312,807,371
- Percentage of shareholding	73.26%	73.20%	73.26%	73.20%
Promoters & promoter group shareholding				
a) Pledged/ Encumbered	-	-	-	-
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b) Non-encumbered				
- Number of shares	114,493,597	-	114,493,597	-
- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	100%	-	100%	-
- Percentage of shares (as a % of the total share capital of the company)	26.74%	-	26.74%	-

**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 April 28, 2009. The standalone financial results for the quarter and year ended March 31, 2009 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. The Central Government, vide notification dated March 31, 2009, has amended Accounting Standard AS 11 "The Effects of Changes in Foreign Exchange Rates", notified under the Companies (Accounting Standard) Rules, 2006. During the year ended March 31, 2009, the company has early adopted Accounting Standard AS 30 "Financial instruments: Recognition and Measurement", pursuant to announcement made by Institute of Chartered Accountants of India (ICAI). The company continues to follow AS 30 and consequently there is no change in its accounting.
4. In January 2009, a wholly owned subsidiary of the Company, "RevIT" transferred its entire shareholding of 1,000 shares in its wholly-owned subsidiary Sherpa, USA to the Company for a consideration of Rs 5,59.30 lacs. The Company subsequently merged Sherpa with its wholly-owned subsidiary, Firstsource Solutions USA, Inc. effective 1 February 2009. Consequent to the merger, the Company was allotted 21,641,000 shares at USD 0.001 each in Firstsource Solutions USA, Inc. in exchange for the shares held by it in Sherpa. The Company also merged Business Process Management, Inc ("BPM") along with its step down subsidiaries with "Firstsource Solutions USA, Inc." effective 1 February 2009. As this is an internal restructuring within the group, there is no impact on Goodwill on consolidation. Further, consequent to the above restructuring, FSL USA. is classified as a non-integral operation as against its earlier classification as an integral operation. However, the impact of this change in classification is not considered material.
5. During the quarter, pursuant to the RBI notification, the Company has bought back and cancelled 497 FCCBs of the face value of USD 100,000 each aggregating USD 49.7 million, under the Automatic Route. The Company has recognised a net gain of Rs 63,49.80 lacs on the said buyback.
6. Other income includes loss of Rs. 23,62.02 lacs for the quarter and year ended 31 March 2009 on account of undesignated derivative instruments.
7. Salary paid/payable to the Managing Director and CEO and the Joint Managing Director and COO is in excess of the limits specified in Schedule XIII of the Companies Act, 1956. The Company has made an application seeking approval from Central Government for payment of managerial remuneration in excess of limits specified under the Companies Act, 1956 for the financial year ended 31 March 2009. The said approval is awaited. This has been referred by the auditors in their report.
8. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.
9. During the quarter, no complaints were received from the investors, 1 complaint pending at the beginning of quarter was resolved during the quarter and no complaint was pending at the end of the quarter.

Segment Reporting				
Particulars	Quarter ended March 31,		Year ended March 31,	
	2009	2008	2009	2008
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>				
a) UK	1,14,06.00	1,06,31.37	4,55,08.52	4,33,88.33
b) USA and Canada	3,01,70.17	2,27,31.60	11,03,39.98	6,70,51.62
c) India	56,70.06	35,12.95	1,88,50.31	1,34,44.63
d) Rest of the world	2,15.57	48.36	5,53.27	1,76.80
<b>Total</b>	<b>4,74,61.80</b>	<b>3,69,24.28</b>	<b>17,52,52.08</b>	<b>12,40,61.38</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>4,74,61.80</b>	<b>3,69,24.28</b>	<b>17,52,52.08</b>	<b>12,40,61.38</b>
<b>Segment results before Tax and Interest</b>				
a) UK	34,14.73	34,50.57	1,42,11.90	1,65,42.00
b) USA and Canada	27,20.76	25,22.87	1,11,28.53	64,07.20
c) India	12,98.38	9,48.15	38,40.64	37,61.56
d) Rest of the world	39.07	15.16	1,02.43	49.85
<b>Total</b>	<b>74,72.94</b>	<b>69,36.75</b>	<b>2,92,83.50</b>	<b>2,67,60.61</b>
i) Finance charges, net	(13,12.52)	(21,25.23)	(10,283.17)	(36,59.90)
ii) Other unallocable expenditure net of unallocable Income	(18,81.71)	(26,19.94)	(1,39,31.33)	(87,82.03)
<b>Profit / (loss) before tax and minority interest</b>	<b>42,78.71</b>	<b>21,91.58</b>	<b>50,69.00</b>	<b>1,43,18.68</b>
<b>Capital Employed</b>				
a) UK			62,14.89	79,06.84
b) USA and Canada			1,55,41.24	1,17,06.38
c) India			19,56.89	8,89.64
d) Rest of the world			81.72	34.99
			<b>2,37,94.74</b>	<b>2,05,37.85</b>
<b>Notes on segment information</b>				
<i>Primary segments</i>				
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 World.				
<i>Capital Employed</i>				
Capital employed comprises of debtors, classified by 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.				
			By order of the Board For Firstsource Solutions Limited	
				
			<b>Ananda Mukerji</b> Managing Director and CEO	
Mumbai , India April 28, 2009				

# Firstsource Solutions Limited

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2009

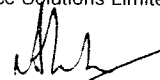
(Rs. in lakhs, except per share data)

Particulars	Quarter ended March 31,		Year ended March 31,	
	2009	2008	2009	2008
	(Audited)	(Audited)	(Audited)	(Audited)
Income from services	1,48,26.25	1,34,85.50	5,66,04.39	4,89,63.78
Other operating income	(3,33.36)	(4,96.33)	(12,54.55)	4,27.08
<b>Total income from operations</b>	<b>1,44,92.89</b>	<b>1,29,89.17</b>	<b>5,53,49.84</b>	<b>4,93,90.86</b>
Total Expenditure				
Personnel costs	70,26.00	59,31.43	2,75,89.19	2,36,33.22
Operating costs	52,29.76	39,83.22	1,91,19.09	1,55,87.98
Depreciation and amortisation	13,78.32	13,01.62	52,24.46	53,28.20
<b>Profit before other income, finance charges and taxation</b>	<b>8,58.81</b>	<b>17,72.90</b>	<b>34,17.10</b>	<b>48,41.46</b>
Other income (Refer note 5)	(26,96.57)	11,06.95	(17,60.77)	10,77.94
- Gain on FCCB buyback, net (Refer note 4)	63,49.80	-	63,49.80	-
<b>Profit before finance charges and taxation</b>	<b>45,12.04</b>	<b>28,79.85</b>	<b>80,06.13</b>	<b>59,19.40</b>
Finance charges, net				
a) Finance cost, net	68.29	(2,13.83)	(10,95.23)	(6,93.45)
b) Foreign exchange loss on FCCB	-	1,911.25	77,82.42	19,25.00
<b>Net profit before taxation</b>	<b>44,43.75</b>	<b>11,82.43</b>	<b>13,18.94</b>	<b>46,87.85</b>
Provision for taxation				
a) Current tax expenses including foreign taxes	(1,14.96)	3,02.04	2,62.35	6,39.69
b) Fringe benefit tax	69.00	99.84	2,37.10	2,14.41
c) Deferred tax release	(1,56.99)	(5,12.99)	(5,31.15)	(19,30.56)
d) Minimum alternate tax credit entitlement carried forward	(83.38)	-	(1,60.01)	-
<b>Net profit after taxation</b>	<b>47,30.08</b>	<b>12,93.54</b>	<b>15,10.65</b>	<b>57,64.31</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	-	-	4,28,18.97	4,27,31.30
Reserves excluding Revaluation Reserve	-	-	6,29,00.08	2,01,96.62
Earning Per Share (Rs.) *:				
-Basic	1.10	0.20	0.35	1.35
-Diluted	1.10	0.15	0.35	1.24
* Not annualised for quarter ending				
Public shareholding				
- Number of shares of Rs. 10	313,696,085	312,807,371	313,696,085	312,807,371
- Percentage of shareholding	73.26%	73.57%	73.26%	73.57%
Promoters & promoter group shareholding				
a) Pledged/ Encumbered	-	-	-	-
- Number of shares	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b) Non-encumbered				
- Number of shares	114,493,597	-	114,493,597	-
- Percentage of shares (as a % of the total shareholding of promoter & promoter group)	100%	-	100%	-
- Percentage of shares (as a % of the total share capital of the company)	26.74%	-	26.74%	-

**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 April 28, 2009.
2. The Central Government, vide notification dated March 31, 2009, has amended Accounting Standard AS 11 "The Effects of Changes in Foreign Exchange Rates", notified under the Companies (Accounting Standard) Rules, 2006. During the year ended March 31, 2009, the company has early adopted Accounting Standard AS 30 "Financial instruments: Recognition and Measurement", pursuant to announcement made by Institute of Chartered Accountants of India (ICAI). The company continues to follow AS 30 and consequently there is no change in its accounting.
3. In January 2009, a wholly owned subsidiary of the Company, "RevIT" transferred its entire shareholding of 1,000 shares in its wholly-owned subsidiary Sherpa, USA to the Company for a consideration of Rs 5,59.30 lacs. The Company subsequently merged Sherpa with its wholly-owned subsidiary, Firstsource Solutions USA, Inc. effective 1 February 2009. Consequent to the merger, the Company was allotted 21,641,000 shares at USD 0.001 each in Firstsource Solutions USA, Inc. in exchange for the shares held by it in Sherpa. The Company also merged Business Process Management, Inc ("BPM") along with its step down subsidiaries with "Firstsource Solutions USA, Inc." effective 1 February 2009.
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7. During the quarter, no complaints were received from the investors, 1 complaint pending at the beginning of quarter was resolved during the quarter and no complaint was pending at the end of the quarter.

**By order of the Board**  
For Firstsource Solutions Limited



**Ananda Mukerji**  
Managing Director and CEO

Mumbai , India  
April 28, 2009