

**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 March 2012 and the consolidated year to date financial results for the period from 1 April 2011 to 31 March 2012, 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year

These consolidated financial results have been prepared on the basis of the consolidated annual financial statements and audited consolidated quarterly financial results upto the end of the third quarter 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 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 and in compliance with the Clause 41 of the Listing Agreement.

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, consolidated profit after taxation for the quarter and year ended 31 March 2012 is lower by Rs 414 millions and higher by Rs 1,027 millions 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. Twin Lake Property, LLC-I
    - l. Firstsource Dailog Solutions (Private) Limited
    - m. Anunta Tech Infrastructure Services Limited
    - n. 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 March 2012 as well as consolidated year to date financial results for the period from 1 April 2011 to 31 March 2012.
- 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 **B S R & Co.**  
*Chartered Accountants*  
Firm's Registration No: 101248W



**Vijay Bhatt**  
*Partner*

Membership No: 036647

Mumbai  
15 May 2012

<b>Firstsource Solutions Limited</b> <b>AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2012</b>					
(Rs. in millions, except per share data)					
Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2012	2011	2011	2012	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations	6,258.89	5,813.63	5,403.05	22,548.51	20,110.18
Other operating income, net	(40.64)	(42.99)	61.00	1.41	442.60
<b>Total income from operations</b>	<b>6,218.25</b>	<b>5,770.64</b>	<b>5,464.05</b>	<b>22,549.92</b>	<b>20,552.78</b>
Expenses					
Employee benefits expense	4,255.70	3,994.88	3,406.88	15,224.95	12,729.94
Depreciation and amortisation expense	218.31	229.64	233.33	892.63	890.76
Other expenses	1,434.30	1,345.37	1,264.77	5,474.11	4,990.91
<b>Total expenses</b>	<b>5,908.31</b>	<b>5,569.89</b>	<b>4,904.98</b>	<b>21,591.69</b>	<b>18,611.61</b>
<b>Profit from operations before other income and finance costs</b>	<b>309.94</b>	<b>200.65</b>	<b>559.07</b>	<b>958.23</b>	<b>1,941.17</b>
Other income	116.16	62.20	32.32	386.49	206.29
<b>Profit from ordinary activities before finance costs</b>	<b>426.10</b>	<b>262.85</b>	<b>591.39</b>	<b>1,344.72</b>	<b>2,147.46</b>
Finance costs	174.57	169.03	101.55	584.88	394.45
<b>Profit from ordinary activities before tax</b>	<b>251.53</b>	<b>93.82</b>	<b>489.84</b>	<b>759.84</b>	<b>1,753.01</b>
Tax expense	21.75	23.38	107.07	137.73	349.34
<b>Net profit from ordinary activities after tax</b>	<b>229.78</b>	<b>70.44</b>	<b>382.77</b>	<b>622.11</b>	<b>1,403.67</b>
Minority interest	(0.98)	1.88	0.18	1.80	18.58
<b>Net profit for the period</b>	<b>230.76</b>	<b>68.56</b>	<b>382.59</b>	<b>620.31</b>	<b>1,385.09</b>
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	-	-	-	4,307.76	4,306.38
Reserves excluding Revaluation Reserve	-	-	-	9,991.07	9,920.82
Earning Per Share (Rs.) : (Not Annualized)					
-Basic	0.54	0.16	0.89	1.44	3.22
-Diluted	0.53	0.16	0.80	1.44	2.91
Particulars of shareholding					
Public shareholding					
- Number of shares of Rs. 10	345,236,587	345,236,587	345,098,462	345,236,587	345,098,462
- Percentage of shareholding	80.14%	80.14%	80.14%	80.14%	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	85,539,720	85,539,720	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%
- Percentage of shares (as a % of the total share capital of the company)	19.86%	19.86%	19.86%	19.86%	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 May 15, 2012. The standalone financial results for the year and quarter ended March 31, 2012 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. 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).					
4. The company has filed an application to stock exchanges for the merger of its wholly owned subsidiary, Rev IT Systems Private Limited with the Company effective 1 April 2011.					
5. Standalone Information (Audited)					
	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended 31 March	
	2012	2011	2011	2012	2011
Total income from operations	1,890.31	1,883.91	1,829.58	7,542.56	7,029.68
Net profit before taxation	91.82	171.13	149.74	418.58	695.60
Net profit after taxation	106.83	193.86	146.09	453.59	662.87
6. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.					
7. During the quarter, no Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.					
8. During the quarter, 4 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.					



## 9. Statement of assets and liabilities (Consolidated - Audited)

	As at March 31, 2012	As at March 31, 2011
<b>Shareholders' funds</b>		
Share capital	4,307.76	4,308.38
Reserves and surplus	9,991.07	9,920.82
<b>Sub-total - Shareholders' funds</b>	<b>14,298.83</b>	<b>14,227.20</b>
<b>Minority interest</b>	<b>13.26</b>	<b>1.08</b>
<b>Non-current liabilities</b>		
Long-term borrowings	9,258.83	14,040.21
Deferred tax liabilities, net	110.16	57.95
Other long-term liabilities	651.66	646.16
Long-term provisions	20.93	259.12
<b>Sub-total - Non-current liabilities</b>	<b>10,041.58</b>	<b>15,003.44</b>
<b>Current liabilities</b>		
Short-term borrowings	366.74	431.82
Trade payables	1,815.60	1,497.75
Other current liabilities	12,493.76	1,059.10
Short-term provisions	285.10	205.27
<b>Sub-total - Current liabilities</b>	<b>14,961.20</b>	<b>3,193.94</b>
<b>Total - Equities and liabilities</b>	<b>39,314.87</b>	<b>32,425.66</b>
<b>Non-current assets</b>		
Fixed assets	1,957.22	2,283.48
Goodwill on consolidation	23,108.58	20,454.03
Non-current investments	16.00	8.61
Long-term loans and advances	1,257.44	836.25
Other non-current assets	345.83	330.64
<b>Sub-total - Non-current assets</b>	<b>26,685.07</b>	<b>23,913.01</b>
<b>Current assets</b>		
Current investments	784.31	1,320.73
Trade receivables	3,514.70	2,388.73
Cash and cash equivalents	6,828.68	3,244.17
Short-term loans and advances	365.17	380.69
Other current assets	1,136.94	1,178.33
<b>Sub-total - Current assets</b>	<b>12,629.80</b>	<b>8,512.65</b>
<b>Total - Assets</b>	<b>39,314.87</b>	<b>32,425.66</b>

## Segment Reporting

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended 31 March	
	2012	2011	2011	2012	2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>					
a) UK	1,846.64	1,839.33	1,800.35	7,071.98	6,145.32
b) USA and Canada	3,150.45	2,989.86	2,939.24	11,687.33	11,529.20
c) India	655.89	690.75	607.59	2,700.61	2,225.40
d) Rest of the World	605.91	293.89	55.87	1,088.59	210.26
<b>Total</b>	<b>6,258.89</b>	<b>5,813.83</b>	<b>5,403.05</b>	<b>22,548.51</b>	<b>20,110.18</b>
Less: Inter Segment Revenue	-	-	-	-	-
<b>Net Segment Revenue</b>	<b>6,258.89</b>	<b>5,813.83</b>	<b>5,403.05</b>	<b>22,548.51</b>	<b>20,110.18</b>
<b>Segment results before tax and finance costs</b>					
a) UK	229.58	284.56	529.34	1,161.71	1,806.55
b) USA and Canada	325.58	272.39	398.24	1,187.21	1,669.53
c) India	(5.07)	72.97	53.75	209.03	166.27
d) Rest of the World	44.00	17.82	19.00	108.79	84.87
<b>Total</b>	<b>594.09</b>	<b>647.74</b>	<b>1,000.33</b>	<b>2,666.74</b>	<b>3,727.12</b>
i) Finance costs	(174.57)	(169.03)	(101.55)	(584.88)	(394.45)
ii) Other unallocable expenditure net of unallocable income	(167.99)	(384.89)	(408.94)	(1,322.02)	(1,579.66)
<b>Profit before tax and minority interest</b>	<b>251.53</b>	<b>93.82</b>	<b>489.84</b>	<b>759.84</b>	<b>1,753.01</b>

<b>Capital Employed</b>		
a) UK	1,460.90	1,126.85
b) USA and Canada	23,710.59	20,561.82
c) India	334.80	463.79
d) Rest of the World	454.53	22.48
e) Unallocated	9,579.14	7,043.87
	<b>35,539.96</b>	<b>29,218.91</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 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  
May 15, 2012



**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 March 2012 and the year to date financial results for the period from 1 April 2011 to 31 March 2012, 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year.

These financial results have been prepared on the basis of the annual financial statements and audited quarterly financial results upto the end of the third quarter 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 annual financial statements, which have been prepared in accordance with recognition and measurement principles prescribed in 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 and in compliance with the Clause 41 of the Listing Agreement.

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 year ended 31 March 2012 is Lower by Rs 390 millions and higher by Rs 1,009 millions 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, 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 March 2012 as well as the year to date results for the period from 1 April 2011 to 31 March 2012.
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*

Membership No: 036647

Mumbai  
15 May 2012



**Firstsource Solutions Limited**  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2012**

Particulars	(Rs. in millions, except per share data)				
	Quarter ended March 31, 2012	Quarter ended December 31, 2011	Quarter ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations	1,924.25	1,949.62	1,808.56	7,596.70	6,657.89
Other operating income, net	(33.94)	(65.71)	21.02	(54.14)	371.79
<b>Total income from operations</b>	<b>1,890.31</b>	<b>1,883.91</b>	<b>1,829.58</b>	<b>7,542.56</b>	<b>7,029.68</b>
Expenses					
Employee benefits expense	1,095.29	1,102.96	932.28	4,264.82	3,666.65
Depreciation and amortisation expense	152.73	150.41	160.76	598.79	573.80
Other expenses	671.51	626.34	639.49	2,623.95	2,385.05
<b>Total Expenses</b>	<b>1,919.53</b>	<b>1,879.71</b>	<b>1,732.53</b>	<b>7,487.56</b>	<b>6,625.50</b>
<b>Profit / (Loss) from operations before other income and finance costs</b>	<b>(29.22)</b>	<b>4.20</b>	<b>97.05</b>	<b>55.00</b>	<b>404.18</b>
Other income	277.20	289.53	123.26	1,019.23	559.55
<b>Profit from ordinary activities before finance costs</b>	<b>247.98</b>	<b>293.73</b>	<b>220.31</b>	<b>1,074.23</b>	<b>963.73</b>
Finance costs	156.16	122.60	70.57	655.65	268.13
<b>Profit from ordinary activities before tax</b>	<b>91.82</b>	<b>171.13</b>	<b>149.74</b>	<b>418.58</b>	<b>695.60</b>
Tax Expense	(15.01)	(22.73)	3.65	(35.01)	32.73
<b>Net profit from ordinary activities after tax</b>	<b>106.83</b>	<b>193.86</b>	<b>146.09</b>	<b>453.59</b>	<b>662.57</b>
Paid-up Equity Share Capital (Face Value of Share Rs. 10)				4,307.76	4,306.38
Reserves excluding Revaluation Reserve				4,493.22	4,917.35
Earning Per Share (Rs.) (not annualised)					
- Basic	0.25	0.45	0.34	1.05	1.54
- Diluted	0.25	0.25	0.34	1.05	1.52
Particulars of shareholding					
Public shareholding					
- Number of shares of Rs. 10	345,236,587	345,236,587	345,098,462	345,236,587	345,098,462
- Percentage of shareholding	80.14%	80.14%	80.14%	80.14%	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	85,539,720	85,539,720	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%	19.86%	20.24%	19.86%	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 May 15, 2012.
- The company has filed an application to stock exchanges for the merger of its wholly owned subsidiary, Rev IT Systems Private Limited with the Company effective 1 April 2011.
- 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, 4 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.
- Statement of Assets and liabilities (Audited)

	As at March 31, 2012	As at March 31, 2011
<b>Shareholders' funds</b>		
Share capital	4,307.76	4,306.38
Reserves and surplus	4,493.22	4,917.35
	<b>8,800.98</b>	<b>9,223.73</b>
<b>Non-current liabilities</b>		
Long-term borrowings	101.33	12,676.66
Long-term provisions	-	247.71
	<b>101.33</b>	<b>12,924.37</b>
<b>Current liabilities</b>		
Short-term borrowings	366.74	431.82
Trade payables	628.46	558.50
Other current liabilities	12,927.66	1,310.97
Short-term provisions	101.22	66.53
	<b>14,024.08</b>	<b>2,367.82</b>
<b>Total - Equities and liabilities</b>	<b>22,926.39</b>	<b>24,515.92</b>
<b>Non current assets</b>		
Fixed assets	1,383.96	1,574.51
Non-current investments	11,608.39	10,063.77
Deferred tax assets	392.84	357.77
Long-term loans and advances	975.38	740.79
Other non-current assets	312.25	270.36
	<b>14,672.83</b>	<b>13,007.20</b>
<b>Current Assets</b>		
Current investments	307.00	986.83
Trade receivables	1,551.99	1,529.88
Cash and cash equivalents	5,563.29	1,475.63
Short-term loans and advances	599.76	6,922.59
Other current assets	231.52	593.79
<b>Net current assets</b>	<b>8,253.56</b>	<b>11,508.72</b>
<b>Total - Assets</b>	<b>22,926.39</b>	<b>24,515.92</b>



Mumbai, India  
May 15, 2012

By order of the Board  
For Firstsource Solutions Limited  
  
  
 Alexander Matthew Vallance  
 Managing Director and CEO