

**Firstsource Solutions Limited**  
**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2010**

(Rs.in lakhs, except per share data)

Particulars	Quarter ended June 30,		Year ended March 31,
	2010	2009	2010
	(Audited)	(Audited)	(Audited)
Income from services	4,75,87.62	4,80,74.24	19,53,91.04
Other operating income	14,82.80	3,73.61	16,87.74
<b>Total income from operations</b>	<b>4,90,70.42</b>	<b>4,84,47.85</b>	<b>19,70,78.78</b>
Personnel costs	2,99,84.49	2,92,69.88	12,02,97.44
Operating costs	1,22,79.07	1,30,36.74	4,95,69.50
Depreciation and amortisation	21,29.05	22,70.13	87,26.32
<b>Profit before other income, finance charges, taxation and minority interest</b>	<b>46,77.81</b>	<b>38,71.10</b>	<b>1,84,85.52</b>
Other income	2,35.21	11,77.40	13,62.02
Gain on FCCB buyback, net	-	7,39.09	7,39.09
<b>Profit before Finance charges, taxation and minority interest</b>	<b>49,13.02</b>	<b>57,87.59</b>	<b>2,05,86.63</b>
Finance charges, net	8,47.03	13,10.20	45,58.42
<b>Net profit before taxation and minority interest</b>	<b>40,65.99</b>	<b>44,77.39</b>	<b>1,60,28.21</b>
Provision for Taxation			
a) Current tax expenses (Incl. foreign tax)	11,31.95	9,25.66	26,08.54
b) Deferred tax charge / (release)	(1,45.71)	(4.15)	10,85.04
c) Minimum alternate tax credit entitlement	(1,89.52)	(2,72.82)	(13,17.47)
<b>Net profit after tax and before minority interest</b>	<b>32,69.27</b>	<b>38,28.70</b>	<b>1,36,52.10</b>
Minority Interest	62.01	26.73	45.00
<b>Net profit after tax and minority interest</b>	<b>32,07.26</b>	<b>38,01.97</b>	<b>1,36,07.10</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	4,29,76.51	4,28,48.28	4,29,20.97
Reserves excluding Revaluation Reserve	-	-	9,94,81.59
Earning Per Share (Rs.) : (Not Annualized)			
-Basic	0.75	0.89	3.17
-Diluted	0.68	0.78	2.84
Aggregate of non-promoter shareholding (unaudited)			
- Number of shares of Rs. 10	337,871,760	314,089,210	337,316,385
- Percentage of shareholding	78.62%	73.31%	78.59%
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	91,893,297	114,393,597	91,893,297
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	21.38%	26.69%	21.41%

**Notes to financials results :**

1. The above results were reviewed by the Audit Committee and adopted by Board of Directors at their meetings held on July 27, 2010. The standalone financial results for the quarter ended June 30, 2010 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. 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 Institute of Chartered Accountants of India (ICAI).

4. Effective April 1, 2010, few of Company's subsidiaries operating in US and subsidiary operating in UK have become non-integral foreign operations per criteria laid down in AS-11 (Revised) " Effects of changes in foreign exchange rates".

5. Standalone Information (Audited)

	Quarter ended 30 June		Year ended 31
	2010	2009	March 10
Total income from operations	1,64,57.70	1,56,98.11	6,61,72.33
Net profit before taxation	14,96.73	24,78.68	62,16.79
Net profit after taxation	13,36.34	25,27.26	67,33.28

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

7. During the quarter, 555,375 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

8. During the quarter, 1 complaint was received from an investor which was resolved. There were no complaints pending at the beginning and at the end of the quarter.

<b>Segment Reporting</b>			
<b>Particulars</b>	<b>Quarter ended June 30,</b>		<b>Year ended March 31,</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>Segment Revenue</b>			
a) UK	1,27,29.04	1,22,17.52	5,27,62.73
b) USA and Canada	2,93,06.87	3,02,03.51	11,80,88.39
c) India	50,50.96	54,02.92	23,171.44
d) Rest of the world	5,00.75	2,50.29	13,68.48
<b>Total</b>	<b>4,75,87.62</b>	<b>4,80,74.24</b>	<b>19,53,91.04</b>
Less: Inter Segment Revenue	-	-	-
<b>Net Segment Revenue</b>	<b>4,75,87.62</b>	<b>4,80,74.24</b>	<b>19,53,91.04</b>
<b>Segment results before Tax and Interest</b>			
a) UK	41,08.45	48,91.94	16,612.06
b) USA and Canada	40,74.35	21,47.39	99,27.34
c) India	2,39.40	4,08.82	20,34.42
d) Rest of the world	1,86.82	99.11	4,89.96
<b>Total</b>	<b>86,09.02</b>	<b>75,47.26</b>	<b>2,90,63.78</b>
i) Finance charges, net	(8,47.03)	(13,10.20)	(45,58.42)
ii) Other unallocable expenditure net of unallocable Income	(36,96.00)	(17,59.67)	(84,77.15)
<b>Profit before tax and minority interest</b>	<b>40,65.99</b>	<b>44,77.39</b>	<b>1,60,28.21</b>
<b>Capital Employed</b>			
a) UK	1,17,35.30	1,09,96.08	1,23,18.98
b) USA and Canada	1,70,47.78	1,93,27.12	1,61,85.72
c) India	39,38.89	31,09.49	40,40.94
d) Rest of the world	3,46.99	1,69.45	2,90.55
	<b>3,30,68.96</b>	<b>3,36,02.14</b>	<b>3,28,36.19</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 and unbilled revenue, 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.			
<b>By order of the Board</b>			
For Firstsource Solutions Limited			
Mumbai , India July 27, 2010	<b>Ananda Mukerji</b> Managing Director and CEO		

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Particulars	Quarter ended June 30,	
	2010	2009
	(Audited)	(Audited)
Income from services	1,51,16.85	1,52,72.77
Other operating income	13,40.85	4,25.34
<b>Total income from operations</b>	<b>1,64,57.70</b>	<b>1,56,98.11</b>
Total Expenditure		
Personnel costs	89,22.45	75,50.36
Operating costs	55,15.23	52,03.11
Depreciation and amortisation	13,08.69	13,32.49
<b>Profit before other income, finance charges and taxation</b>	<b>7,11.33</b>	<b>16,12.15</b>
Other income	3,31.88	10,51.87
Gain on FCCB buyback, net	-	7,39.09
<b>Profit before finance charges and taxation</b>	<b>10,43.21</b>	<b>34,03.11</b>
Finance charges, net	(4,53.52)	9,24.43
<b>Net profit before taxation</b>	<b>14,96.73</b>	<b>24,78.68</b>
Provision for taxation		
a) Current tax expenses including foreign taxes	3,29.47	4,17.21
b) Deferred tax release	(64.63)	(2,39.47)
c) Minimum alternate tax credit entitlement	(1,04.45)	(2,26.32)
<b>Net profit after taxation</b>	<b>13,36.34</b>	<b>25,27.26</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	4,29,76.51	4,28,48.28
Reserves excluding Revaluation Reserve	-	-
Earning Per Share (Rs.) :		
-Basic	0.31	0.59
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Aggregate of non- promoter shareholding (unaudited)		
- Number of shares of Rs. 10	337,871,760	314,089,210
- Percentage of shareholding	78.62%	73.31%
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)	-	-
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b) Non-encumbered		
- Number of shares	91,893,297	114,393,597
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For Firstsource Solutions Limited

Mumbai , India  
July 27, 2010