



# firstsource

## Firstsource Solutions Limited

**FY 2007-08 TOTAL INCOME OF RS. 4096 MILLION, GROWTH OF 47.5% Y-o-Y  
PAT AT RS. 301 MILLION, EXCLUDING FCCB RESTATEMENT**

### AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2008

(Rs. in lakhs, except per share data)

Particulars	Quarter ended June 30,		Year ended March 31,
	2008	2007	2008
	Audited	Audited	Audited
Income from services	4,01,55.68	2,53,68.69	12,40,61.38
Other operating income	6,33.09	19,42.58	58,18.11
	<b>4,07,88.77</b>	<b>2,73,11.27</b>	<b>12,98,79.49</b>
Other income	1,67.80	4,80.03	34,92.33
<b>Total Income</b>	<b>4,09,56.57</b>	<b>2,77,91.30</b>	<b>13,33,71.82</b>
Personnel costs	2,34,70.34	1,41,64.37	7,12,03.69
Operating costs	1,12,67.16	73,18.92	3,55,81.35
Depreciation and amortisation (Note 4)	22,32.49	18,89.04	86,08.20
<b>Profit before Finance charges, tax and minority interest</b>	<b>39,86.58</b>	<b>44,18.97</b>	<b>1,79,78.58</b>
Finance charges, net			
a) Finance cost, net	2,31.21	(6,21.52)	17,34.90
b) Foreign exchange loss on FCCB (Note 3)	80,16.25	-	19,25.00
<b>Net profit / (loss) before tax and minority interest</b>	<b>(42,60.88)</b>	<b>50,40.49</b>	<b>1,43,18.68</b>
Provision for Taxation			
a) Current tax expenses (Incl. foreign tax)	8,45.86	9,62.72	28,76.98
b) Fringe benefit tax	51.29	39.27	2,32.08
c) Deferred tax charge / (release)	(1,54.34)	(3,83.45)	(1,8,44.26)
<b>Net profit / (loss) after tax and before minority interest</b>	<b>(50,03.69)</b>	<b>44,21.95</b>	<b>1,30,53.88</b>
Minority Interest	1.37	(8.99)	(1,02.08)
<b>Net profit / (loss) after tax and minority interest</b>	<b>(50,05.06)</b>	<b>44,30.94</b>	<b>1,31,55.96</b>
Paid-up Equity Share Capital ( Face Value of Share Rs.: 10)	-	-	4,27,31.30
Reserves excluding Revaluation Reserve	-	-	3,12,72.50
Earning Per Share (Rs.) : (Not Annualized)			
- Basic	(1.17)	1.04	3.09
- Diluted	(1.17)	0.99	2.83
Aggregate of non-promoter shareholding (unaudited)			
- Number of shares of Rs. 10	313,052,621	318,907,172	312,807,371
- Percentage of shareholding	73.21%	75.01%	73.20%

#### Notes to financials results :

- The above results were reviewed by the Audit Committee and taken on record by Financial Results Committee of Board of Directors at their meeting held on July 30, 2008. The standalone financial results for the quarter ended June 30, 2008 are available on the company's website (www.firstsource.com) and the websites of BSE (www.bseindia.com) and NSE (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.
- The loss arising from the effect of changes in the foreign exchange rates on the outstanding Foreign Currency Convertible Bonds (FCCB) is Rs.80,16.25 lakhs for the quarter ended June 30, 2008 as compared to loss of Rs. 19,25.00 lakhs for year ended March 31, 2008. Without considering this exchange loss, net profit after tax and EPS will be as follows:

Particulars	Quarter ended June 30,		Year ended March 31,
	2008	2007	2008
<b>Net Profit after tax before exchange loss on FCCB</b>	<b>30,11.44</b>	<b>44,30.94</b>	<b>1,50,80.96</b>
Earning Per Share (Rs.) : (Not Annualized)			
- Basic	0.70	1.04	3.54
- Diluted (Unaudited)	0.55	0.99	3.25

- The useful life of fixed assets has been reviewed by the management and the original estimate of the useful life of these assets has been revised to four years for Computer and software and five years for networking equipment and leasehold improvements. Consequently, depreciation charge and loss for the period is lower by Rs. 4,03.26 lakhs.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.
- During the quarter 249,250 Equity Shares were issued pursuant to exercise of options under the Employee Stock Option Schemes of the Company.
- During the quarter, 8 Investors' complaints were received, 8 were resolved. There were no complaints pending at the beginning and at the end of the quarter.

#### SEGMENT REPORTING

Particulars	Quarter ended June 30,		Year ended March 31,
	2008	2007	2008
	Audited	Audited	Audited
<b>Segment Revenue</b>			
a) UK	1,12,08.07	1,11,62.60	4,33,88.33
b) USA and Canada	2,48,21.08	1,13,88.95	6,70,51.62
c) India	40,84.01	27,70.10	1,34,44.63
d) Rest of the world	42.52	47.04	1,76.80
<b>Total</b>	<b>4,01,55.68</b>	<b>2,53,68.69</b>	<b>12,40,61.38</b>
Less: Inter Segment Revenue	-	-	-
<b>Net Segment Revenue</b>	<b>4,01,55.68</b>	<b>2,53,68.69</b>	<b>12,40,61.38</b>
<b>Segment results before Tax and Interest</b>			
a) UK	31,13.57	30,41.75	1,65,42.00
b) USA and Canada	28,73.01	23,68.36	64,07.20
c) India	10,94.13	5,83.72	37,61.56
d) Rest of the world	8.74	15.99	49.85
<b>Total</b>	<b>70,89.45</b>	<b>60,09.82</b>	<b>2,67,60.61</b>
i) Finance charges, net	(82,47.46)	6,21.52	(36,59.90)
ii) Other unallocable expenditure net of unallocable Income	(31,02.87)	(15,90.85)	(87,82.03)
<b>Profit / (loss) before tax and minority interest</b>	<b>(42,60.88)</b>	<b>50,40.49</b>	<b>1,43,18.68</b>
<b>Capital Employed</b>			
a) UK	77,49.22	68,71.58	79,06.84
b) USA and Canada	1,23,86.40	57,35.13	1,17,06.38
c) India	29,11.62	14,54.42	8,89.64
d) Rest of the world	61.74	29.82	34.99
<b>Total</b>	<b>2,31,08.98</b>	<b>1,40,90.95</b>	<b>2,05,37.85</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 States of America and Canada, United Kingdom, India and Rest of World.

##### Capital Employed

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

Ananda Mukerji  
Managing Director and CEO

Mumbai, India  
July 30, 2008

#### Firstsource Solutions Limited

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