



firstsource®

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2012

(Rs. in millions, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue from operations	7,255.12	6,852.43	5,287.06	14,107.55	10,475.98	22,548.51
Other operating income, net	(78.83)	(100.73)	43.21	(179.56)	85.05	1.41
Total income from operations	7,176.29	6,751.70	5,330.27	13,927.99	10,561.03	22,549.92
Expenses						
Employee benefits expense	4,950.49	4,661.00	3,512.76	9,611.49	6,974.28	15,224.95
Depreciation and amortisation	229.05	222.21	225.10	451.26	444.68	892.62
Other expenses	1,545.14	1,534.02	1,355.48	3,079.16	2,695.97	5,474.11
Total expenses	6,724.68	6,417.23	5,093.34	13,141.91	10,114.93	21,591.68
Profit from operations before other income and finance costs	451.61	334.47	236.93	786.08	446.10	958.24
Other income	150.23	192.63	161.81	342.86	205.87	454.10
Gain / (loss) on FCCB buyback, net	-	-	3.79	-	3.79	(67.62)
Profit from ordinary activities before finance costs	601.84	527.10	402.53	1,128.94	655.76	1,344.72
Finance costs	189.69	189.19	141.67	378.88	241.28	584.88
Profit from ordinary activities before tax	412.15	337.91	260.86	750.06	414.48	759.84
Tax expense	54.55	42.91	46.72	97.46	92.59	137.73
Net profit from ordinary activities after tax	357.60	295.00	214.14	652.60	321.89	622.11
Minority Interest	(1.73)	5.20	(0.40)	3.47	0.90	1.80
Net profit for the period	359.33	289.80	214.54	649.13	320.99	620.31
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	4,307.76	4,307.76	4,307.76	4,307.76	4,307.76	4,307.76
Reserves excluding Revaluation Reserve	-	-	-	10,203.49	9,736.64	9,991.07
Earning Per Share (Rs.) : (Not Annualized)						
- Basic	0.83	0.67	0.50	1.51	0.75	1.44
- Diluted	0.76	0.65	0.48	1.41	0.75	1.44
Particulars of shareholding						
Public shareholding						
- Number of shares of Rs. 10	345,246,044	345,236,587	345,236,587	345,246,044	345,236,587	345,236,587
- Percentage of shareholding	80.15%	80.14%	80.14%	80.15%	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	85,530,263	85,539,720	85,539,720	85,530,263	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%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	19.85%	19.86%	19.86%	19.85%	19.86%	19.86%

Notes to financial results :

- The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on October 26, 2012. The standalone financial results for the quarter and six months ended September 30, 2012 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 and losses in full. Minority interest's share of profits or losses is adjusted against income to arrive at the net income attributable to the Company's shareholders.
- 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).
- The company has filed an application to the Bombay High Court for the merger of its wholly owned subsidiary, Rev IT Systems Private Limited with the Company effective 1 April 2011. Pending approval of the Honourable High Court at Mumbai, no effect of the scheme is given in the above financial results.
- Standalone Information (Audited)

Particulars	Quarter ended September 30,		Six months ended September 30,		Year ended March 31,
	2012	2011	2012	2011	2012
Total income from operations	2,105.00	1,939.92	4,060.00	3,768.33	7,542.56
Net profit before taxation	310.61	84.26	451.80	155.63	418.58
Net profit after taxation	310.61	81.36	451.80	153.06	453.59

- 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, 24 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 (Consolidated - Audited)

Particulars	As at September 30, 2012	As at March 31, 2012
Shareholders' funds		
Share capital	4,307.76	4,307.76
Reserves and surplus	10,203.49	9,991.07
Total Shareholders' funds	14,511.25	14,298.83
Minority interest	16.59	13.26
Non-current liabilities		
Long-term borrowings	8,399.77	9,258.83
Deferred tax liabilities, net	171.66	110.16
Other long-term liabilities	512.02	651.66
Long-term provisions	22.88	20.93
Total Non-current liabilities	9,106.33	10,041.58
Current liabilities		
Short-term borrowings	400.00	366.74
Trade payables	1,213.16	1,312.26
Other current liabilities	15,383.21	12,997.10
Short-term provisions	356.56	285.10
Total Current liabilities	17,352.93	14,961.20
Total - EQUITY AND LIABILITIES	40,987.10	39,314.87
ASSETS		
Non-current assets		
Goodwill on consolidation	23,941.08	23,108.58
Fixed assets		
Tangible assets	1,216.80	1,181.98
Intangible assets	567.00	688.55
Capital work-in-progress	22.81	86.69
Total Non-current assets	1,806.61	1,957.22
Non-current investments	25.41	16.00
Long-term loans and advances	1,340.70	1,257.44
Other non-current assets	331.53	345.83
Total Non-current assets	27,445.33	26,685.07
Current assets		
Current investments	883.00	784.31
Trade receivables	3,650.47	3,514.70
Cash and cash equivalents	6,868.00	6,828.68
Short-term loans and advances	359.82	365.17
Other current assets	1,780.48	1,136.94
Total Current assets	13,541.77	12,629.80
TOTAL ASSETS	40,987.10	39,314.87

SEGMENT REPORTING

Particulars	Quarter ended			Six months ended		Year ended
	September 30, 2012	June 30, 2012	September 30, 2011	September 30, 2012	September 30, 2011	March 31, 2012
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment Revenue						
a) UK	2,545.17	2,253.05	1,696.22	4,798.22	3,386.01	7,071.98
b) USA and Canada	3,286.98	3,284.74	2,752.43	6,571.72	5,547.22	11,687.33
c) India	753.08	661.38	730.05	1,414.46	1,353.97	2,700.61
d) Rest of the World	669.89	653.26	108.36	1,323.15	188.78	1,088.59
Total	7,255.12	6,852.43	5,287.06	14,107.55	10,475.98	22,548.51
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Segment Revenue	7,255.12	6,852.43	5,287.06	14,107.55	10,475.98	22,548.51
Segment results before tax and finance costs						
a) UK	207.83	367.06	312.32	574.89	647.59	1,161.71
b) USA and Canada	432.23	353.44	326.10	785.69	589.23	1,187.21
c) India	37.49	(59.55)	112.83	(22.06)	141.13	209.03
d) Rest of the World	90.64	66.26	18.76	156.90	46.97	108.79
Total	768.19	727.21	770.01	1,495.42	1,424.92	2,666.74
i) Finance costs	(189.69)	(189.19)	(141.67)	(378.88)	(241.28)	(584.88)
ii) Other unallocable expenditure net of unallocable income	(166.35)	(200.11)	(367.48)	(366.48)	(769.16)	(1,322.02)
Profit before tax and minority interest	412.15	337.91	260.86	750.06	414.48	759.84
Capital Employed						
a) UK	1,361.68	1,661.96	1,052.26	1,361.68	1,052.26	1,460.90
b) USA and Canada	24,520.78	26,028.82	22,628.98	24,520.78	22,628.98	23,710.59
c) India	441.35	435.99	533.82	441.35	533.82	334.80
d) Rest of the World	465.95	520.07	96.04	465.95	96.04	454.53
e) Unallocated	10,305.71	9,021.35	10,727.46	10,305.71	10,727.46	9,579.14
Total	37,095.47	37,668.19	35,038.56	37,095.47	35,038.56	35,539.96

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

Mumbai, India
October 26, 2012

Rajesh Subramaniam
Managing Director and CEO