



# firstsource

Firstsource Solutions Limited  
(Formerly ICICI OneSource Limited)

**TOTAL INCOME OF RS. 8,399.3 MILLION, GROWTH OF 52.8 % Y-O-Y  
PAT AT RS. 972.5 MILLION, UP 294.2 % Y-O-Y**

## HIGHLIGHTS OF FISCAL 2006-07

- Total Income for 2006-07 Rs.8,399.3 million for the year ended 31 March 31, 2007; YOY growth 52.8%
- Profit after tax Rs.972.5 million for the year ended March 31, 2007; YOY growth 294.2%
- EPS on fully diluted basis for the year Rs.2.50

## HIGHLIGHTS OF QUARTER ENDED MARCH 31, 2007

- Total Income for quarter ended March 31, 2007 Rs.2,768.0 million; up 24% versus previous quarter and 71.2% versus corresponding quarter of previous year
- Profit after tax Rs.349.1 million; up 15.6% versus previous quarter and 60.6% versus corresponding quarter of previous year
- EPS on fully diluted basis for the quarter Rs.0.85

## CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2007

(Rs.in million, except per share data)

Particulars	Audited		Unaudited		Audited	
	Nine months ended December 31, 2006	Quarter ended March 31,		Year ended March 31,		
		2007	2006	2007	2006	
Income from services	5,484.65	2,683.83	1,610.61	8,168.48	5,487.48	
Other operating income	65.94	63.19	-	129.13	-	
	5,550.59	2,747.02	1,610.61	8,297.61	5,487.48	
Other income	80.77	20.94	5.95	101.71	7.68	
<b>Total Income</b>	<b>5,631.36</b>	<b>2,767.96</b>	<b>1,616.56</b>	<b>8,399.32</b>	<b>5,495.16</b>	
Personnel costs	2,637.80	1,497.85	771.47	4,135.65	2,832.52	
Operating costs	1,821.17	697.03	473.36	2,518.20	1,856.35	
Interest cost, net	61.32	16.34	26.53	77.66	85.24	
Depreciation and amortisation	441.51	199.95	115.99	641.46	451.46	
<b>Net Profit before tax and minority interest</b>	<b>669.56</b>	<b>356.79</b>	<b>229.21</b>	<b>1,026.35</b>	<b>269.59</b>	
Provision for Taxation						
a) Current tax expenses (Incl. foreign tax)	38.53	0.86	8.85	39.39	15.55	
b) Fringe benefit tax	9.30	6.03	4.10	15.33	11.05	
c) Deferred tax charge/(release)	3.88	1.53	0.14	5.41	0.38	
<b>Net Profit after tax and before minority interest</b>	<b>617.85</b>	<b>348.37</b>	<b>216.12</b>	<b>966.22</b>	<b>242.61</b>	
Minority Interest	(5.54)	(0.77)	(1.20)	(6.31)	(4.07)	
<b>Net Profit After Tax</b>	<b>623.39</b>	<b>349.14</b>	<b>217.32</b>	<b>972.53</b>	<b>246.68</b>	
Paid-up Equity Share Capital (Face Value of Share Rs.: 10)	3,562.61	4,250.84	2,018.75	4,250.84	2,018.75	
Paid-up Preference Share Capital (Face Value of Share Rs.: 10)	-	-	1,975.95	-	1,975.95	
Reserves excluding Revaluation Reserve	2,975.02	-	-	6,414.74	327.55	
Earning Per Share (Rs.) : (Not Annualized)						
- Basic	2.77	0.90	1.08	3.67	1.23	
- Diluted	1.65	0.85	0.70	2.50	0.80	
Aggregate of non-promoter shareholding (unaudited)						
- Number of shares of Rs. 10	240,811,049	318,834,297	23,891,862	318,834,297	23,891,862	
- Percentage of shareholding	67.59%	75.01%	11.83%	75.01%	11.83%	

**Notes to Financials Results:** (1) 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. Minority interest's share of net assets is disclosed separately in the balance sheet. (2) Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

## Firstsource Solutions Limited (as standalone entity) (Formerly known as ICICI OneSource Limited)

### FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2007

(Rs.in million, except per share data)

Particulars	Audited		Unaudited		Audited	
	Nine months ended December 31, 2006	Quarter ended March 31,		Year ended March 31,		
		2007	2006	2007	2006	
Income from services	3,121.92	1,204.90	896.76	4,326.82	3,271.39	
Other Income	52.44	13.39	0.09	65.83	0.20	
<b>Total Income</b>	<b>3,174.36</b>	<b>1,218.29</b>	<b>896.85</b>	<b>4,392.65</b>	<b>3,271.59</b>	
Personnel costs	1,419.63	547.99	426.65	1,967.62	1,596.96	
Operating costs	929.38	314.78	271.49	1,244.16	1,103.10	
Interest cost, net	15.73	(9.95)	12.24	5.78	39.01	
Depreciation and amortisation	284.77	127.70	87.55	412.47	355.71	
<b>Profit before Tax</b>	<b>524.85</b>	<b>237.77</b>	<b>98.92</b>	<b>762.62</b>	<b>176.81</b>	
Provision for Taxation						
a) Current tax expenses	4.04	1.32	1.28	5.36	7.91	
b) Fringe benefit tax	8.81	5.63	5.00	14.44	11.05	
c) Deferred tax charge / (release)	-	-	0.14	-	0.14	
<b>Profit after Tax</b>	<b>512.00</b>	<b>230.82</b>	<b>92.50</b>	<b>742.82</b>	<b>157.71</b>	
Paid-up Equity Share Capital (Face Value of Share Rs.: 10)	3,562.61	4,250.84	2,018.75	4,250.84	2,018.75	
Paid-up Preference Share Capital (Face Value of Share Rs.: 10)	-	-	1,975.95	-	1,975.95	
Reserves excluding Revaluation Reserve	2,719.90	-	-	6,039.05	183.83	
Earning Per Share (Rs.): (Not Annualized)						
- Basic	2.28	0.60	0.46	2.80	0.78	
- Diluted	1.35	0.56	0.30	1.91	0.51	
Aggregate of non-promoter shareholding (unaudited)						
- Number of shares of Rs. 10	240,811,049	318,834,297	23,891,862	318,834,297	23,891,862	
- Percentage of shareholding	67.59%	75.01%	11.83%	75.01%	11.83%	

**Notes to Financials Results :** (1) The above results were reviewed by the Audit Committee at their meeting held on 26 April, 2007 and taken on record by Board of Directors at their adjourned meeting held on 27 April, 2007. There are no qualification in the auditors report for the year ended 31 March 2007. The information presented above is extracted from the audited financials statements as stated.

(Rs.in million)

(2) Statement of Utilization of issue proceeds as of March 31, 2007.	
Amount Raised through public issue	3,840.00
Issue related expenses	164.33
<b>Net Proceeds</b>	<b>3,675.67</b>
<i>Utilization:</i>	
Setting up of new facilities	279.33
Held under Mutual Fund and Bank deposit	3,396.34
<b>Net Proceeds</b>	<b>3,675.67</b>

(3) The Company came out with an Initial Public offering during the quarter ended 31 March, 2007 and got its shares listed with BSE and NSE w.e.f 22 February, 2007. During the said quarter, Company received 1032 complaints from investors out of which 962 were resolved and 70 were pending at the end of the quarter which were subsequently resolved. (4) The Company added thirteen new centers in fiscal 2007, six centers in India, four in US, two in UK and one in Argentina. (5) In April 2006, the Company entered into a strategic partnership with Metavante Corp, the third largest provider of technology products and services to the financial services industry in the United States. Firstsource is Metavante's exclusive offshore and preferred onshore BPO partner. Metavante holds 20.18% stake in the company as at 31 March, 2007. (6) On 29 December, 2006, the Company acquired BPM Inc., a Delaware-based healthcare claims outsourcing company in the United States. The acquisition helped Firstsource deepen its proposition in the Healthcare vertical with enhanced capabilities in complex claims adjudication. (7) Figures of previous period/year have been regrouped, wherever necessary.

## SEGMENT REPORTING (CONSOLIDATED - AUDITED)

(Rs.in million)

Particulars	Audited		Unaudited		Audited	
	Nine months ended December 31, 2006	Quarter ended March 31,		Year ended March 31,		
		2007	2006	2007	2006	
<b>Segment Revenue</b>						
a) UK	2,759.04	1,216.71	675.90	3,975.75	2,631.54	
b) USA and Canada	2,542.54	1,321.18	908.92	3,863.72	2,708.53	
c) India	169.38	141.34	21.74	310.72	134.89	
d) Rest of the world	13.69	4.60	4.05	18.29	12.52	
<b>Total</b>	<b>5,484.65</b>	<b>2,683.83</b>	<b>1,610.61</b>	<b>8,168.48</b>	<b>5,487.48</b>	
Less: Inter Segment Revenue	-	-	-	-	-	
<b>Net Segment Revenue</b>	<b>5,484.65</b>	<b>2,683.83</b>	<b>1,610.61</b>	<b>8,168.48</b>	<b>5,487.48</b>	
<b>segment results before Tax and Interest</b>						
a) UK	647.82	664.12	208.12	1,311.94	472.19	
b) USA and Canada	367.22	352.52	287.22	719.74	281.06	
c) India	49.03	(17.23)	10.48	31.80	37.47	
d) Rest of the world	8.14	1.93	10.39	10.07	7.17	
<b>Total</b>	<b>1,072.21</b>	<b>1,001.34</b>	<b>516.21</b>	<b>2,073.55</b>	<b>797.89</b>	
i) Interest Expenses, net	(61.32)	(16.34)	(26.53)	(77.66)	(85.24)	
ii) Other unallocable expenditure net off unallocable Income	(341.33)	(628.21)	(260.47)	(969.54)	(443.06)	
<b>Profit before tax and minority interest</b>	<b>669.56</b>	<b>356.79</b>	<b>229.21</b>	<b>1,026.35</b>	<b>269.59</b>	

**Notes on Segment Reporting:**

**Primary segments:** The Primary segment of the Company is geography identified on the basis of the location of the customer which, in management opinion, is the predominant source of risk and rewards. The Group business is organized into four key geographic segments comprising United States of America and Canada, United Kingdom, India and Rest of the World.

**Segmental Capital Employed:** Fixed Assets used in company's business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and support services are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities has been done.

By order of the Board  
For Firstsource Solutions limited  
Sd/-  
**Ananda Mukerji**  
Managing Director and CEO

Mumbai, India  
April 27, 2007

Registered office: 6th floor, Peninsula Chambers, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.