

Firstsource Solutions Limited
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012

(Rs. in millions, except share and per equity share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2012 (Audited)	2012 (Audited)	2011 (Audited)	2012 (Audited)	2011 (Audited)	2012 (Audited)
Income from operations						
Revenue from operations	7,195.84	7,255.12	5,813.64	21,303.39	16,289.63	22,548.51
Other operating income, net	(63.77)	(78.83)	(42.99)	(243.33)	42.05	1.41
Total income from operations	7,132.07	7,176.29	5,770.65	21,060.06	16,331.68	22,549.92
Expenses						
Employee benefits expense	4,902.66	4,950.49	3,994.98	14,514.15	10,969.26	15,224.95
Depreciation and amortisation	215.18	229.05	229.64	666.44	674.32	892.63
Other expenses	1,501.54	1,545.14	1,345.37	4,580.70	4,039.81	5,474.11
Total expenses	6,619.38	6,724.68	5,569.99	19,761.29	15,683.39	21,591.69
Profit from operations before other income and finance costs	512.69	451.61	200.66	1,298.77	648.29	958.23
Other income	122.18	150.23	133.60	465.04	337.94	386.49
(Loss) on FCCB buyback, net	-	-	(71.41)	-	(67.62)	(67.62)
Profit from ordinary activities before finance costs	634.87	601.84	262.85	1,763.81	918.61	1,277.10
Finance costs	196.27	189.69	169.03	575.15	410.30	517.26
Profit from ordinary activities before tax	438.60	412.15	93.82	1,188.66	508.31	759.84
Tax expense	29.83	54.55	23.39	127.29	115.98	137.73
Net profit from ordinary activities after tax	408.77	357.60	70.43	1,061.37	392.33	622.11
Minority Interest	(5.92)	(1.73)	1.88	(2.45)	2.78	1.80
Net profit for the period	414.69	359.33	68.55	1,063.82	389.55	620.31
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,576.74	4,307.76	4,307.76	6,576.74	4,307.76	4,307.76
Reserves excluding Revaluation Reserve	-	-	-	10,116.09	9,610.95	9,991.07
Earning Per Share (Rs.) : (not annualized)						
-Basic	0.83	0.83	0.16	2.35	0.90	1.44
-Diluted	0.83	0.76	0.16	2.35	0.90	1.44
Particulars of shareholding						
Public shareholding						
- Number of shares of Rs. 10	33,21,25,243	34,52,46,044	34,52,36,587	33,21,25,243	34,52,36,587	34,52,36,587
- Percentage of shareholding	50.50%	80.15%	80.14%	50.50%	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	32,55,48,508	8,55,30,263	8,55,39,720	32,55,48,508	8,55,39,720	8,55,39,720
- 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)	49.50%	19.85%	19.86%	49.50%	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 February 14, 2013. The standalone financial results for the quarter and nine months ended December 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).
- 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.
- During the quarter the Company has allotted 226,897,444 Equity Shares to Spen Liq Private Limited upon receipt of Rs 2,745.36. The same amount has been used for the purpose of redemption of outstanding FCCB.
- Subsequent to the period end, consequent to the closure of the open offer, Spen Liq Private Limited now holds 56.86% equity shares in the Company.
- 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 obtained the approval from the Honorable High Court, Bombay for the scheme of merger of its wholly owned subsidiary RevIT Systems Private Limited effective 1 April 2011. The effect of the scheme is given in the above results.
- Standalone Information (Audited)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,	March 31,	
	2012	2012	2011	2012	2011	2012
Total income from operations	2,226.70	2,267.29	1,883.91	6,611.35	5,652.25	7,542.56
Net profit before taxation	258.70	381.74	171.12	848.28	326.75	418.58
Net profit after taxation	305.36	381.74	193.86	894.94	346.92	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, 9 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.

Segment Reporting						
Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2012	September 30, 2012	December 31, 2011	December 31, 2012	December 31, 2011	March 31, 2012
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment Revenue						
a) UK	2,516.39	2,545.17	1,839.33	7,314.61	5,225.34	7,071.98
b) USA and Canada	3,272.66	3,286.98	2,989.65	9,844.38	8,536.89	11,687.33
c) India	770.10	753.08	690.75	2,184.56	2,044.72	2,700.61
d) Rest of the World	636.69	669.89	293.90	1,959.84	482.68	1,088.59
Total	7,195.84	7,255.12	5,813.63	21,303.39	16,289.63	22,548.51
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Segment Revenue	7,195.84	7,255.12	5,813.63	21,303.39	16,289.63	22,548.51
Segment results before tax and finance costs						
a) UK	224.65	207.83	284.57	799.54	932.15	1,161.71
b) USA and Canada	530.54	432.23	272.39	1,316.23	861.63	1,187.21
c) India	57.07	37.49	72.97	35.01	214.10	209.03
d) Rest of the World	53.53	90.64	17.82	210.43	64.79	108.79
Total	865.79	768.19	647.75	2,361.21	2,072.67	2,666.74
i) Finance costs	(196.27)	(189.69)	(240.44)	(575.15)	(477.92)	(584.88)
ii) Other unallocable expenditure net of unallocable Income	(230.92)	(166.35)	(313.49)	(597.40)	(1,086.44)	(1,322.02)
Profit before tax and minority interest	438.60	412.15	93.82	1,188.66	508.31	759.84
Capital Employed						
a) UK	1,834.21	1,361.68	1,406.31	1,834.21	1,406.31	1,460.90
b) USA and Canada	25,471.30	24,520.78	24,455.66	25,471.30	24,455.66	23,710.59
c) India	553.88	441.35	666.57	553.88	666.57	334.80
d) Rest of the World	576.32	465.95	235.69	576.32	235.69	454.53
e) Unallocated	1,418.08	10,305.71	8,739.60	1,418.08	8,739.60	9,579.14
	29,853.79	37,095.47	35,503.83	29,853.79	35,503.83	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
February 14, 2013

Rajesh Subramaniam
Managing Director and CEO

Firstsource Solutions Limited
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(Rs. in millions, except share and per equity share data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31,	September 30,	December 31,	December 31,	December 31,	March 31,
	2012	2012	2011	2012	2011	2012
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations						
Revenue from operations	2,301.42	2,357.08	1,949.62	6,887.45	5,672.45	7,596.70
Other operating income, net	(74.72)	(89.79)	(65.71)	(276.10)	(20.20)	(54.14)
Total income from operations	2,226.70	2,267.29	1,883.91	6,611.35	5,652.25	7,542.56
Expenses						
Employee benefits expense	1,192.18	1,169.09	1,102.96	3,536.24	3,169.53	4,264.82
Depreciation and amortisation expense	145.04	145.37	150.41	439.35	446.06	598.79
Other expenses	688.25	703.91	626.34	2,096.28	1,952.44	2,623.95
Total expenses	2,025.47	2,018.37	1,879.71	6,071.87	5,568.03	7,487.56
Profit from operations before other income and finance costs	201.23	248.92	4.20	539.48	84.22	55.00
Other income	230.22	291.98	361.17	801.02	809.65	1,086.85
(Loss) on FCCB buyback, net	-	-	(71.41)	-	(67.62)	(67.62)
Profit from ordinary activities before finance costs	431.45	540.90	293.96	1,340.50	826.25	1,074.23
Finance costs	172.75	159.16	122.84	492.22	499.50	655.65
Profit from ordinary activities before tax	258.70	381.74	171.12	848.28	326.75	418.58
Tax expense	(46.66)	-	(22.74)	(46.66)	(20.17)	(35.01)
Net profit from ordinary activities after tax	305.36	381.74	193.86	894.94	346.92	453.59
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,576.74	4,307.76	4,307.76	6,576.74	4,307.76	4,307.76
Reserves excluding Revaluation Reserve	-	-	-	5,141.15	5,277.10	4,493.22
Earning Per Share (Rs.) (not annualised)						
-Basic	0.61	0.89	0.45	1.98	0.81	1.05
-Diluted	0.61	0.76	0.25	1.98	0.81	1.05
Particulars of shareholding						
Public shareholding						
- Number of shares of Rs. 10	33,21,25,243	34,52,46,044	34,52,36,587	33,21,25,243	34,52,36,587	34,52,36,587
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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						
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Notes to financials results :

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- During the quarter the Company has allotted 226,897,444 Equity Shares to Spen Liq Private Limited upon receipt of Rs 2,745.36. The same amount has been used for the purpose of redemption of outstanding FCCB.
- Subsequent to the period end, consequent to the closure of the open offer, Spen Liq Private Limited now holds 56.86% equity shares in the Company.
- During the quarter, pursuant to the order of the Honorable High Court, Bombay, RevIT Systems Private Limited (RevIT) has been merged effective 1 April 2011 with the company, consequently;
 - The financial results for the quarter ended 31 December 2012 include the income and expenses of RevIT for the quarter.
 - The financials results for the quarter ended 30 September 2012 has been amended to include the income and expenses of RevIT for the quarter.
 - The financial results for the nine months ended 31 December 2012 include the income and expenses of RevIT for nine months.
 - The financial results of RevIT for the year ended 31 March 2012 showing a net profit after tax of Rs.139.10 is added to the balance brought forward of the statement of profit and loss.
- 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.
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