

## Firstsource Solutions Limited

### AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013

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

| Particulars  | Quarter ended     |                      | Year ended        |                   |                   |
|--|-------------------|----------------------|-------------------|-------------------|-------------------|
|  | March 31,<br>2013 | December 31,<br>2012 | March 31,<br>2012 | March 31,<br>2013 | March 31,<br>2012 |
|  | (Audited)         | (Audited)            | (Audited)         | (Audited)         | (Audited)         |
| <b>Income from operations</b>  |                   |                      |                   |                   |                   |
| Revenue from operations  | 7,136.79          | 7,195.84             | 6,258.89          | 28,440.18         | 22,548.51         |
| Other operating income, net  | (11.50)           | (63.77)              | (40.64)           | (254.83)          | 1.41              |
| <b>Total income from operations</b>  | <b>7,125.29</b>   | <b>7,132.07</b>      | <b>6,218.25</b>   | <b>28,185.35</b>  | <b>22,549.92</b>  |
| <b>Expenses</b>  |                   |                      |                   |                   |                   |
| Employee benefits expense  | 4,834.57          | 4,902.66             | 4,255.70          | 19,348.72         | 15,224.95         |
| Depreciation and amortisation  | 217.54            | 215.18               | 218.31            | 883.98            | 892.63            |
| Other expenses   | 1,460.31          | 1,501.54             | 1,434.30          | 6,041.01          | 5,474.11          |
| <b>Total expenses</b>  | <b>6,512.42</b>   | <b>6,619.38</b>      | <b>5,908.31</b>   | <b>26,273.71</b>  | <b>21,591.69</b>  |
| <b>Profit from operations before other income and finance cost</b>                       | <b>612.87</b>     | <b>512.69</b>        | <b>309.94</b>     | <b>1,911.64</b>   | <b>958.23</b>     |
| Other income   | (1.09)            | 122.18               | 116.16            | 463.95            | 454.11            |
| (Loss) on FCCB buyback, net  | -                 | -                    | -                 | -                 | (67.62)           |
| <b>Profit from ordinary activities before finance cost</b>                               | <b>611.78</b>     | <b>634.87</b>        | <b>426.10</b>     | <b>2,375.59</b>   | <b>1,344.72</b>   |
| Finance cost   | 208.50            | 196.27               | 174.57            | 783.65            | 584.88            |
| <b>Profit from ordinary activities before tax</b>  | <b>403.28</b>     | <b>438.60</b>        | <b>251.53</b>     | <b>1,591.94</b>   | <b>759.84</b>     |
| Tax expense  | 1.94              | 29.83                | 21.75             | 129.23            | 137.73            |
| <b>Net profit from ordinary activities after tax</b>                                     | <b>401.34</b>     | <b>408.77</b>        | <b>229.78</b>     | <b>1,462.71</b>   | <b>622.11</b>     |
| Minority Interest  | (0.76)            | (5.92)               | (0.98)            | (3.21)            | 1.80              |
| <b>Net profit for the period</b>   | <b>402.10</b>     | <b>414.69</b>        | <b>230.76</b>     | <b>1,465.92</b>   | <b>620.31</b>     |
| Paid-up Equity Share Capital (Face Value of Share Rs. 10)                                | 6,576.74          | 6,576.74             | 4,307.76          | 6,576.74          | 4,307.76          |
| Reserves excluding Revaluation Reserve   | -                 | -                    | -                 | 10,559.64         | 9,991.07          |
| Earning Per Share (Rs.) : (not annualized)   |                   |                      |                   |                   |                   |
| -Basic   | 0.61              | 0.83                 | 0.54              | 2.91              | 1.44              |
| -Diluted   | 0.60              | 0.83                 | 0.53              | 2.82              | 1.44              |
| <b>Particulars of shareholding</b>   |                   |                      |                   |                   |                   |
| Public shareholding  |                   |                      |                   |                   |                   |
| - Number of shares of Rs. 10   | 28,36,97,078      | 33,21,25,243         | 34,52,36,587      | 28,36,97,078      | 34,52,36,587      |
| - Percentage of shareholding   | 43.14%            | 50.50%               | 80.14%            | 43.14%            | 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   | 37,39,76,673      | 32,55,48,508         | 8,55,39,720       | 37,39,76,673      | 8,55,39,720       |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00%           | 100%                 | 100.00%           | 100.00%           | 100.00%           |
| - Percentage of shares (as a % of the total share capital of the Company)                | 56.86%            | 49.50%               | 19.86%            | 56.86%            | 19.86%            |

#### Notes to financials results :

1. The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on May 7, 2013. The standalone financial results for the quarter and year ended March 31, 2013 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 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.

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 the Institute of Chartered Accountants of India (ICAI).

4. Standalone information (Audited)

| Particulars                | Quarter ended                |                      | Year ended        |                   |                   |
|----------------------------|------------------------------|----------------------|-------------------|-------------------|-------------------|
|                            | March 31,<br>2013            | December 31,<br>2012 | March 31,<br>2012 | March 31,<br>2013 | March 31,<br>2012 |
|                            | Total income from operations | 2,196.80             | 2,226.70          | 1,890.31          | 8,808.15          |
| Net profit before taxation | 325.61                       | 258.70               | 91.82             | 1,173.89          | 418.58            |
| Net profit after taxation  | 325.61                       | 258.70               | 106.83            | 1,359.65          | 453.59            |

5. During the quarter, no equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

6. During the quarter, no complaints were received from investors. There was no complaint pending at the beginning and at the end of the quarter.

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

| Particulars                         | As at March, 31  | As at March, 31  |
|-------------------------------------|------------------|------------------|
|                                     | 2013             | 2012             |
| <b>Shareholders' funds</b>          |                  |                  |
| Share capital                       | 6,576.74         | 4,307.76         |
| Reserves and surplus                | 10,559.64        | 9,991.07         |
|                                     | <b>17,136.38</b> | <b>14,298.83</b> |
| <b>Minority interest</b>            | 11.36            | 13.26            |
| <b>Non-current liabilities</b>      |                  |                  |
| Long-term borrowings                | 8,500.64         | 9,258.83         |
| Deferred tax liabilities, net       | 282.90           | 110.16           |
| Other long-term liabilities         | 328.92           | 651.66           |
| Long-term provisions                | 223.07           | 189.43           |
|                                     | <b>9,335.53</b>  | <b>10,210.08</b> |
| <b>Current liabilities</b>          |                  |                  |
| Short-term borrowings               | 1,628.60         | 366.74           |
| Trade payables                      | 1,412.10         | 1,312.26         |
| Other current liabilities           | 3,905.14         | 12,997.10        |
| Short-term provisions               | 87.60            | 116.60           |
|                                     | <b>7,033.44</b>  | <b>14,792.70</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>33,516.71</b> | <b>39,314.87</b> |
| <b>ASSETS</b>                       |                  |                  |
| <b>Non-current assets</b>           |                  |                  |
| Goodwill on consolidation           | 23,601.03        | 23,108.58        |
| Fixed assets                        | 1,561.55         | 1,957.22         |
| Non-current investments             | 26.81            | 16.00            |
| Long-term loans and advances        | 1,132.22         | 1,257.44         |
| Other non-current assets            | 650.66           | 345.83           |
|                                     | <b>26,972.27</b> | <b>26,685.07</b> |
| <b>Current assets</b>               |                  |                  |
| Current investments                 | -                | 784.31           |
| Trade receivables                   | 3,865.84         | 3,514.70         |
| Cash and bank balances              | 901.01           | 6,828.68         |
| Short-term loans and advances       | 353.95           | 365.17           |
| Other current assets                | 1,423.66         | 1,136.94         |
|                                     | <b>6,544.46</b>  | <b>12,629.80</b> |
| <b>TOTAL ASSETS</b>                 | <b>33,516.73</b> | <b>39,314.87</b> |

8. The audited consolidated statement of assets and liabilities has been prepared in the format prescribed by the revised schedule VI to the Companies Act, 1956.

| Segment Reporting   |                 |                 |                 |                  |                  |
|---|-----------------|-----------------|-----------------|------------------|------------------|
| Particulars   | Quarter ended   |                 |                 | Year ended       |                  |
|   | March 31,       | December 31,    | March 31,       | March 31,        | March 31,        |
|   | 2013            | 2012            | 2012            | 2013             | 2012             |
|   | (Audited)       | (Audited)       | (Audited)       | (Audited)        | (Audited)        |
| <b>Segment Revenue</b>                                      |                 |                 |                 |                  |                  |
| a) UK   | 2,409.92        | 2,516.39        | 1,846.64        | 9,724.53         | 7,071.98         |
| b) USA and Canada   | 3,289.09        | 3,272.66        | 3,150.45        | 13,133.47        | 11,687.33        |
| c) India  | 808.61          | 770.10          | 655.89          | 2,993.17         | 2,700.61         |
| d) Rest of the World  | 629.17          | 636.69          | 605.91          | 2,589.01         | 1,088.59         |
| <b>Total</b>  | <b>7,136.79</b> | <b>7,195.84</b> | <b>6,258.89</b> | <b>28,440.18</b> | <b>22,548.51</b> |
| Less: Inter Segment Revenue                                 | -               | -               | -               | -                | -                |
| <b>Net Segment Revenue</b>                                  | <b>7,136.79</b> | <b>7,195.84</b> | <b>6,258.89</b> | <b>28,440.18</b> | <b>22,548.51</b> |
| <b>Segment results before tax and finance costs</b>         |                 |                 |                 |                  |                  |
| a) UK   | 207.81          | 224.65          | 229.58          | 1,007.35         | 1,161.71         |
| b) USA and Canada   | 456.43          | 530.54          | 325.58          | 1,772.66         | 1,187.21         |
| c) India  | 84.62           | 57.07           | (5.07)          | 119.63           | 209.03           |
| d) Rest of the World  | 82.71           | 53.53           | 44.00           | 293.14           | 108.79           |
| <b>Total</b>  | <b>831.57</b>   | <b>865.79</b>   | <b>594.09</b>   | <b>3,192.78</b>  | <b>2,666.74</b>  |
| i) Finance cost   | (208.50)        | (196.27)        | (174.57)        | (783.65)         | (584.88)         |
| ii) Other unallocable expenditure net of unallocable income | (219.79)        | (230.92)        | (167.99)        | (817.19)         | (1,322.02)       |
| <b>Profit before tax and minority interest</b>              | <b>403.28</b>   | <b>438.60</b>   | <b>251.53</b>   | <b>1,591.94</b>  | <b>759.84</b>    |

|                         |                  |                  |
|-------------------------|------------------|------------------|
| <b>Capital Employed</b> |                  |                  |
| a) UK                   | 1,911.96         | 1,460.90         |
| b) USA and Canada       | 25,145.84        | 23,710.59        |
| c) India                | 578.63           | 334.80           |
| d) Rest of the World    | 628.01           | 454.53           |
| e) Unallocated          | 1,787.26         | 9,579.14         |
|                         | <b>30,051.70</b> | <b>35,539.96</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 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  
May 7, 2013

Rajesh Subramaniam  
Managing Director and CEO

**Firstsource Solutions Limited**  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2013**

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

| Particulars   | Quarter ended   |                 |                 | Year ended      |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | March 31        | December 31     | March 31        | March 31        | March 31        |
|   | 2013            | 2012            | 2012            | 2013            | 2012            |
|   | (Audited)       | (Audited)       | (Audited)       | (Audited)       | (Audited)       |
| <b>Income from operations</b>   |                 |                 |                 |                 |                 |
| Revenue from operations   | 2,218.92        | 2,301.42        | 1,924.25        | 9,106.37        | 7,596.70        |
| Other operating income, net   | (22.12)         | (74.72)         | (33.94)         | (298.22)        | (54.14)         |
| <b>Total income from operations</b>   | <b>2,196.80</b> | <b>2,226.70</b> | <b>1,890.31</b> | <b>8,808.15</b> | <b>7,542.56</b> |
| <b>Expenses</b>   |                 |                 |                 |                 |                 |
| Employee benefits expense   | 1,179.33        | 1,192.18        | 1,095.29        | 4,715.57        | 4,264.82        |
| Depreciation and amortisation expense   | 137.23          | 145.04          | 152.73          | 576.58          | 598.79          |
| Other expenses  | 643.61          | 688.25          | 671.51          | 2,739.89        | 2,623.95        |
| <b>Total expenses</b>   | <b>1,960.17</b> | <b>2,025.47</b> | <b>1,919.53</b> | <b>8,032.04</b> | <b>7,487.56</b> |
| <b>Profit from operations before other income and finance cost</b>  | <b>236.63</b>   | <b>201.23</b>   | <b>(29.22)</b>  | <b>776.11</b>   | <b>55.00</b>    |
| Other income  | 124.74          | 230.22          | 277.20          | 925.76          | 1,086.85        |
| (Loss) on FCCB buyback, net   | -               | -               | -               | -               | (67.62)         |
| <b>Profit/Loss from ordinary activities before finance cost</b>   | <b>361.37</b>   | <b>431.45</b>   | <b>247.98</b>   | <b>1,701.87</b> | <b>1,074.23</b> |
| Finance cost  | 35.76           | 172.75          | 156.16          | 527.98          | 655.65          |
| <b>Profit from ordinary activities before tax</b>   | <b>325.61</b>   | <b>258.70</b>   | <b>91.82</b>    | <b>1,173.89</b> | <b>418.58</b>   |
| Tax expense/(credit)  | -               | -               | (15.01)         | -               | (35.01)         |
| <b>Profit after taxation before adjustment for results of RevIT for the year ended March 31,2012</b>  | <b>325.61</b>   | <b>258.70</b>   | <b>106.83</b>   | <b>1,173.89</b> | <b>453.59</b>   |
| Profit After Tax for the year ended 31 March 2012 of RevIT (including reversal of excess provision) incorporated pursuant to the scheme of amalgamation |                 |                 |                 | 185.76          | -               |
| <b>Net profit from ordinary activities after tax</b>  | <b>325.61</b>   | <b>258.70</b>   | <b>106.83</b>   | <b>1,359.65</b> | <b>453.59</b>   |
| Paid-up Equity Share Capital (Face Value of Share Rs. 10)   | 6,576.74        | 6,576.74        | 4,307.76        | 6,576.74        | 4,307.76        |
| Reserves excluding Revaluation Reserve  | -               | -               | -               | 5,748.17        | 4,493.22        |
| Earning Per Share (Rs.) (not annualised)  |                 |                 |                 |                 |                 |
| -Basic  | 0.50            | 0.52            | 0.25            | 2.70            | 1.05            |
| -Diluted  | 0.49            | 0.51            | 0.25            | 2.66            | 1.05            |
| <b>Particulars of shareholding</b>  |                 |                 |                 |                 |                 |
| Public shareholding   |                 |                 |                 |                 |                 |
| - Number of shares of Rs. 10  | 28,36,97,078    | 33,21,25,243    | 34,52,36,587    | 28,36,97,078    | 34,52,36,587    |
| - Percentage of shareholding  | 43.14%          | 50.50%          | 80.14%          | 43.14%          | 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  | 37,39,76,673    | 32,55,48,508    | 8,55,39,720     | 37,39,76,673    | 8,55,39,720     |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group)  | 100%            | 100%            | 100%            | 100%            | 100%            |
| - Percentage of shares (as a % of the total share capital of the company)   | 56.86%          | 49.50%          | 19.86%          | 56.86%          | 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 May 7, 2013.
- 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.
- During the quarter, no 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.

|  | Mar 31, 2013     | March 31, 2012                    |
|--|------------------|-----------------------------------|
| <b><u>EQUITIES AND LIABILITIES</u></b> |                  |                                   |
| <b>Shareholders' funds</b>             |                  |                                   |
| Share capital                          | 6,576.74         | 4,307.76                          |
| Reserves and surplus                   | 5,748.17         | 4,493.22                          |
|  | 12,324.91        | 8,800.98                          |
| <b>Non-current liabilities</b>         |                  |                                   |
| Long-term borrowings                   | 1,127.64         | 101.33                            |
| Long-term provisions                   | 95.59            | 46.75                             |
|  | 1,223.23         | 148.08                            |
| <b>Current liabilities</b>             |                  |                                   |
| Short-term borrowings                  | -                | 366.74                            |
| Trade payables                         | 443.61           | 526.94                            |
| Other current liabilities              | 2,162.31         | 13,029.18                         |
| Short-term provisions                  | 49.92            | 54.47                             |
|  | 2,655.84         | 13,977.33                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>    | <b>16,203.98</b> | <b>22,926.39</b>                  |
| <b><u>ASSETS</u></b>                   |                  |                                   |
| <b>Non-current assets</b>              |                  |                                   |
| Fixed assets                           | 981.73           | 1,383.96                          |
| Non-current investments                | 11,686.07        | 11,608.39                         |
| Deferred tax assets                    | 406.64           | 392.84                            |
| Long-term loans and advances           | 868.79           | 975.38                            |
| Other non-current assets               | 650.23           | 312.26                            |
|  | 14,593.46        | 14,672.83                         |
| <b>Current Assets</b>                  |                  |                                   |
| Current investments                    | -                | 307.00                            |
| Trade receivables                      | 827.18           | 1,551.99                          |
| Cash and bank balances                 | 253.32           | 5,563.29                          |
| Short-term loans and advances          | 265.85           | 599.76                            |
| Other current assets                   | 264.17           | 231.52                            |
|  | 1,610.52         | 8,253.56                          |
| <b>TOTAL ASSETS</b>                    | <b>16,203.98</b> | <b>22,926.39</b>                  |
|  |                  | <b>By order of the Board</b>      |
|  |                  | For Firstsource Solutions Limited |
| Mumbai, India                          |                  | <b>Rajesh Subramaniam</b>         |
| May 7, 2013                            |                  | Managing Director and CEO         |