

## Firstsource Solutions Limited

**AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2014**

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

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

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2014	2014	2013	2014	2013	2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income from operations</b>						
Income from operations	7,698.00	7,619.34	7,978.97	15,317.34	15,213.26	31,270.23
Other operating income, net	41.85	(63.30)	(71.10)	(21.45)	(114.17)	(211.47)
<b>Total income from operations</b>	<b>7,739.85</b>	<b>7,556.04</b>	<b>7,907.87</b>	<b>15,295.89</b>	<b>15,099.09</b>	<b>31,058.76</b>
<b>Expenses</b>						
Employee benefits expense	5,200.04	5,074.92	5,464.97	10,274.96	10,387.17	21,294.05
Depreciation and amortisation	177.26	175.46	204.64	352.72	386.30	757.02
Other expenses	1,591.09	1,550.69	1,547.58	3,141.78	3,011.02	6,143.46
<b>Total expenses</b>	<b>6,968.39</b>	<b>6,801.07</b>	<b>7,217.19</b>	<b>13,769.46</b>	<b>13,784.49</b>	<b>28,194.53</b>
<b>Profit from operations before other income and finance costs</b>	<b>771.46</b>	<b>754.97</b>	<b>690.68</b>	<b>1,526.43</b>	<b>1,314.60</b>	<b>2,864.23</b>
Other income	46.97	(10.25)	8.51	36.73	27.76	20.04
<b>Profit from ordinary activities before finance costs</b>	<b>818.43</b>	<b>744.72</b>	<b>699.19</b>	<b>1,563.16</b>	<b>1,342.36</b>	<b>2,884.27</b>
Finance costs	180.70	183.73	228.61	364.43	442.03	851.47
<b>Profit from ordinary activities before tax</b>	<b>637.73</b>	<b>560.99</b>	<b>470.58</b>	<b>1,198.73</b>	<b>900.33</b>	<b>2,032.80</b>
Tax expense	24.71	27.85	22.71	52.56	42.84	100.89
<b>Net profit from ordinary activities after tax</b>	<b>613.02</b>	<b>533.14</b>	<b>447.87</b>	<b>1,146.17</b>	<b>857.49</b>	<b>1,931.91</b>
Minority Interest	0.61	0.66	0.29	1.27	(0.56)	2.29
<b>Net profit after tax and minority interest</b>	<b>612.41</b>	<b>532.48</b>	<b>447.58</b>	<b>1,144.90</b>	<b>858.05</b>	<b>1,929.62</b>
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,630.05	6,614.21	6,583.05	6,630.05	6,583.05	6,597.35
Reserves excluding Revaluation Reserve				16,160.32	13,226.46	14,316.86
Earning Per Share (Rs.) : (Not Annualized)						
- Basic	0.93	0.81	0.68	1.73	1.30	2.93
- Diluted	0.87	0.77	0.67	1.62	1.28	2.82
<b>Particulars of shareholding</b>						
Public shareholding						
- Number of shares of Rs. 10	289,028,015	287,444,765	284,328,328	289,028,015	284,328,328	285,758,203
- Percentage of shareholding	43.59%	43.46%	43.19%	43.59%	43.19%	43.31%
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	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673
- 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)	56.41%	56.54%	56.81%	56.41%	56.81%	56.69%

**Notes to financials results :**

- The above results were reviewed by the Audit Committee on November 13, 2014 and adopted by the Board of Directors at their meeting held on November 14, 2014. The standalone financial results for the quarter and six months ended September 30, 2014 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. 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).
- Standalone Information (Audited)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2014	2014	2013	2014	2013	2014
Total income from operations	2,385.05	2,212.28	2,378.12	4,597.33	4,626.52	9,173.28
Net profit before taxation	527.50	383.30	392.02	910.80	608.74	1,344.70
Net profit after taxation	537.93	383.30	392.02	921.23	608.74	1,344.70

- During the quarter ended September 30, 2014, 1,583,250 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter ended September 30, 2014, 41 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.

8. Statement of assets and liabilities (Consolidated - Audited)		
Particulars	As at	
	September 30 2014	March 31 2014
<b>Shareholders' funds</b>		
Share capital	6,630.05	6,597.35
Reserves and surplus	16,160.32	14,316.86
<b>Total Shareholders' funds</b>	<b>22,790.37</b>	<b>20,914.21</b>
Share application money received under ESOP scheme	0.11	0.66
<b>Minority interest</b>	<b>16.09</b>	<b>14.35</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,454.77	6,641.50
Deferred tax liabilities, net	323.55	317.17
Other long-term liabilities	199.83	199.53
Long-term provisions	267.86	239.83
<b>Total Non-current liabilities</b>	<b>6,246.01</b>	<b>7,398.03</b>
<b>Current liabilities</b>		
Short-term borrowings	3,030.73	2,458.83
Trade payables	1,069.91	1,129.31
Other current liabilities	4,574.89	4,786.89
Short-term provisions	143.46	192.25
<b>Total Current liabilities</b>	<b>8,818.99</b>	<b>8,567.28</b>
<b>Total - EQUITY AND LIABILITIES</b>	<b>37,871.57</b>	<b>36,894.52</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill on consolidation	26,712.47	25,940.39
Fixed assets		
- Tangible assets	804.49	855.45
- Intangible assets	430.08	508.44
- Capital work-in-progress	4.01	4.01
	<b>1,238.58</b>	<b>1,367.90</b>
Non-current investments	56.97	26.39
Long-term loans and advances	1,067.70	1,160.19
Other non-current assets	1,090.49	918.42
<b>Total Non-current assets</b>	<b>30,166.21</b>	<b>29,413.29</b>
<b>Current assets</b>		
Current investments	237.00	26.00
Trade receivables	2,905.89	3,019.26
Cash and bank balances	1,606.02	1,863.21
Short-term loans and advances	438.25	410.28
Other current assets	2,518.20	2,162.48
<b>Total Current assets</b>	<b>7,705.36</b>	<b>7,481.23</b>
<b>TOTAL - ASSETS</b>	<b>37,871.57</b>	<b>36,894.52</b>

Segment Reporting						
Particulars	Quarter ended			Six month ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2014	2014	2013	2014	2013	2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>						
a) UK	2,784.62	2,733.69	2,857.74	5,518.31	5,350.93	11,135.07
b) USA and Canada	3,606.25	3,620.13	3,657.25	7,226.38	6,971.02	14,583.73
c) India	641.71	614.41	726.76	1,256.12	1,485.13	2,784.20
d) Rest of the World	665.42	651.11	737.22	1,316.53	1,406.18	2,767.23
<b>Total</b>	<b>7,698.00</b>	<b>7,619.34</b>	<b>7,978.97</b>	<b>15,317.34</b>	<b>15,213.26</b>	<b>31,270.23</b>
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Net Segment Revenue</b>	<b>7,698.00</b>	<b>7,619.34</b>	<b>7,978.97</b>	<b>15,317.34</b>	<b>15,213.26</b>	<b>31,270.23</b>
<b>Segment results before tax and finance costs</b>						
a) UK	553.77	425.64	508.84	979.41	789.89	1,905.51
b) USA and Canada	465.82	541.02	414.46	1,006.84	906.51	1,804.27
c) India	88.18	59.23	73.12	147.41	158.19	369.13
d) Rest of the World	67.15	64.10	76.13	131.25	216.49	266.36
<b>Total</b>	<b>1,174.92</b>	<b>1,089.99</b>	<b>1,072.55</b>	<b>2,264.91</b>	<b>2,071.08</b>	<b>4,345.27</b>
i) Finance costs	(180.70)	(183.73)	(228.61)	(364.43)	(442.03)	(851.47)
ii) Other unallocable expenditure net of unallocable Income	(356.49)	(345.27)	(373.36)	(701.75)	(728.72)	(1,461.00)
<b>Profit before tax and minority interest</b>	<b>637.73</b>	<b>560.99</b>	<b>470.58</b>	<b>1,198.73</b>	<b>900.33</b>	<b>2,032.80</b>
<b>Capital Employed</b>						
a) UK	1,216.29	1,552.76	2,184.49	1,216.29	2,184.49	1,475.99
b) USA and Canada	28,800.85	27,532.65	28,715.26	28,800.85	28,715.26	27,207.95
c) India	494.75	802.98	473.03	494.75	473.03	771.28
d) Rest of the World	646.72	679.92	619.44	646.72	619.44	881.29
e) Unallocated	1,980.10	1,901.63	514.87	1,980.10	514.87	1,559.41
	<b>33,138.71</b>	<b>32,469.94</b>	<b>32,507.09</b>	<b>33,138.71</b>	<b>32,507.09</b>	<b>31,895.92</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

**Rajesh Subramaniam**  
Managing Director and CEO

Mumbai, India  
November 14 2014

## Firstsource Solutions Limited

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2014**

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

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(Rs. in millions, except per share data)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31,
	2014	2014	2013	2014	2013	2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income from operations</b>						
Income from operations	2,346.44	2,283.00	2,492.27	4,629.44	4,797.09	9,541.72
Other operating income, net	38.61	(70.72)	(114.15)	(32.11)	(170.57)	(368.44)
<b>Total income from operations</b>	<b>2,385.05</b>	<b>2,212.28</b>	<b>2,378.12</b>	<b>4,597.33</b>	<b>4,626.52</b>	<b>9,173.28</b>
<b>Expenses</b>						
Employee benefits expense	1,111.94	1,068.03	1,188.57	2,179.97	2,370.45	4,607.91
Depreciation and amortisation	117.80	118.28	145.92	236.08	275.28	527.19
Other expenses	675.50	660.04	645.31	1,335.54	1,323.77	2,668.42
<b>Total expenses</b>	<b>1,905.24</b>	<b>1,846.35</b>	<b>1,979.80</b>	<b>3,751.59</b>	<b>3,969.50</b>	<b>7,803.52</b>
<b>Profit from operations before other income and finance costs</b>	<b>479.81</b>	<b>365.93</b>	<b>398.32</b>	<b>845.74</b>	<b>657.02</b>	<b>1,369.76</b>
Other income	99.04	67.55	46.31	166.59	35.85	152.13
<b>Profit from ordinary activities before finance costs</b>	<b>578.85</b>	<b>433.48</b>	<b>444.63</b>	<b>1,012.33</b>	<b>692.87</b>	<b>1,521.89</b>
Finance costs	51.35	50.18	52.61	101.53	84.13	177.19
<b>Profit from ordinary activities before tax</b>	<b>527.50</b>	<b>383.30</b>	<b>392.02</b>	<b>910.80</b>	<b>608.74</b>	<b>1,344.70</b>
Tax expense	(10.43)	-	-	(10.43)	-	-
<b>Net profit from ordinary activities after tax</b>	<b>537.93</b>	<b>383.30</b>	<b>392.02</b>	<b>921.23</b>	<b>608.74</b>	<b>1,344.70</b>
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,630.05	6,614.21	6,583.05	6,630.05	6,583.05	6,597.35
Reserves excluding Revaluation Reserve				8,365.27	5,886.64	7,204.60
Earning Per Share (Rs.) (not annualised)						
-Basic	0.81	0.58	0.60	1.39	0.93	2.04
-Diluted	0.76	0.55	0.59	1.31	0.91	1.96
<b>Particulars of shareholding</b>						
Public shareholding						
- Number of shares of Rs. 10	289,028,015	287,444,765	284,328,328	289,028,015	284,328,328	285,758,203
- Percentage of shareholding	43.59%	43.46%	43.19%	43.59%	43.19%	43.31%
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	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673	373,976,673
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	56.41%	56.54%	56.81%	56.41%	56.81%	56.69%

### Notes to financials results :

- The above results were reviewed by the Audit Committee on November 13, 2014 and adopted by the Board of Directors at their meeting held on November 14, 2014.
- 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 ended September 30, 2014, 1,583,250 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter ended September 30, 2014, 41 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.

## 6. Statement of Assets and liabilities (Audited)

Particulars	As at	
	September, 30	March, 31
	2014	2014
<b><u>EQUITIES AND LIABILITIES</u></b>		
<b>Shareholders' funds</b>		
Share capital	6,630.05	6,597.35
Reserves and surplus	8,365.27	7,204.60
<b>Total Shareholders' funds</b>	<b>14,995.32</b>	<b>13,801.95</b>
Share application money received under ESOP scheme	0.11	0.66
<b>Non-current liabilities</b>		
Long-term borrowings	1,232.48	1,217.72
Long-term provisions	67.78	62.57
<b>Total Non-current liabilities</b>	<b>1,300.26</b>	<b>1,280.29</b>
<b>Current liabilities</b>		
Short-term borrowings	894.26	661.26
Trade payables	271.80	305.94
Other current liabilities	1,500.74	1,599.69
Short-term provisions	50.43	41.66
<b>Total Current liabilities</b>	<b>2,717.23</b>	<b>2,608.55</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>19,012.92</b>	<b>17,691.45</b>
<b><u>ASSETS</u></b>		
<b>Non current assets</b>		
Fixed assets		
- Tangible assets	382.31	447.13
- Intangible assets	349.91	408.90
- Capital work-in-progress	0.50	0.50
	<b>732.72</b>	<b>856.53</b>
Non-current investments	11,798.26	11,731.28
Deferred tax assets (net)	417.07	406.64
Long-term loans and advances	871.59	932.65
Other non-current assets	1,090.49	918.29
<b>Total Non-current assets</b>	<b>14,910.13</b>	<b>14,845.39</b>
<b>Current Assets</b>		
Current investments	210.00	-
Trade receivables	2,358.44	1,852.43
Cash and bank balances	471.70	287.79
Short-term loans and advances	359.77	399.30
Other current assets	702.88	306.54
<b>Total Current assets</b>	<b>4,102.79</b>	<b>2,846.06</b>
<b>TOTAL - ASSETS</b>	<b>19,012.92</b>	<b>17,691.45</b>

**By order of the Board**  
For Firstsource Solutions Limited

Mumbai, India  
November 14, 2014

**Rajesh Subramaniam**  
Managing Director and CEO