

## Firstsource Solutions Limited

### AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

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

Particulars	Quarter ended June 30,	Quarter ended March 31,	Quarter ended June 30,	Year ended March 31,
	2014	2014	2013	2014
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income from operations</b>				
Income from operations	7,619.34	8,063.43	7,234.29	31,270.23
Other operating income, net	(63.30)	(101.39)	(43.07)	(211.47)
<b>Total income from operations</b>	<b>7,556.04</b>	<b>7,962.04</b>	<b>7,191.22</b>	<b>31,058.76</b>
<b>Expenses</b>				
Employee benefits expense	5,074.92	5,395.38	4,922.20	21,294.05
Depreciation and amortisation	175.46	181.01	181.66	757.02
Other expenses	1,550.69	1,577.58	1,463.44	6,143.46
<b>Total expenses</b>	<b>6,801.07</b>	<b>7,153.97</b>	<b>6,567.30</b>	<b>28,194.53</b>
<b>Profit from operations before other income and finance costs</b>	<b>754.97</b>	<b>808.07</b>	<b>623.92</b>	<b>2,864.23</b>
Other income	(10.25)	(10.15)	19.25	20.04
<b>Profit from ordinary activities before finance costs</b>	<b>744.72</b>	<b>797.92</b>	<b>643.17</b>	<b>2,884.27</b>
Finance costs	183.73	197.83	213.42	851.47
<b>Profit from ordinary activities before tax</b>	<b>560.99</b>	<b>600.09</b>	<b>429.75</b>	<b>2,032.80</b>
Tax expense	27.85	10.37	20.13	100.89
<b>Net profit from ordinary activities after tax</b>	<b>533.14</b>	<b>589.72</b>	<b>409.62</b>	<b>1,931.91</b>
Minority Interest	0.66	1.25	(0.85)	2.29
<b>Net profit after tax and minority interest</b>	<b>532.48</b>	<b>588.47</b>	<b>410.47</b>	<b>1,929.62</b>
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,614.21	6,597.35	6,581.74	6,597.35
Reserves excluding Revaluation Reserve	-	-	-	14,316.86
Earning Per Share (Rs.) : (Not Annualized)				
-Basic	0.81	0.89	0.62	2.93
-Diluted	0.77	0.86	0.61	2.82
<b>Particulars of shareholding</b>				
Public shareholding				
- Number of shares of Rs. 10	28,74,44,765	28,57,58,203	28,41,97,078	28,57,58,203
- Percentage of shareholding	43.46%	43.31%	43.18%	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	37,39,76,673	37,39,76,673	37,39,76,673	37,39,76,673
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	56.54%	56.69%	56.82%	56.69%

#### Notes to financials results :

1. The above results were reviewed by the Audit Committee on July 31, 2014 and adopted by the Board of Directors at their meeting held on August 01, 2014. The standalone financial results for the quarter ended June 30, 2014 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 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)

	Quarter ended June 30,	Quarter ended March 31,	Quarter ended June 30,	Year ended 31 March
	2014	2014	2013	2014
Total income from operations	2,212.28	2,188.93	2,248.40	9,173.28
Net profit before taxation	383.30	373.13	216.72	1,344.70
Net profit after taxation	383.30	373.13	216.72	1,344.70

5. During the quarter ended June 30, 2014, 1,686,562 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

6. During the quarter ended June 30, 2014, 3 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.

7. The Company is in the process of evaluating the useful lives of fixed assets in light of the useful life prescribed in Schedule II to the Companies Act, 2013. Management believes that any change in the useful life will not have material impact on the results for the quarter.

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

**Segment Reporting**

Particulars	Quarter ended June 30,	Quarter ended March 31,	Quarter ended June 30,	Year ended 31 March
	2014	2014	2013	2014
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment Revenue</b>				
a) UK	2,733.69	2,868.12	2,493.19	11,135.07
b) USA and Canada	3,620.13	3,884.13	3,313.77	14,583.73
c) India	614.41	632.55	758.37	2,784.20
d) Rest of the World	651.11	678.63	668.96	2,767.23
<b>Total</b>	<b>7,619.34</b>	<b>8,063.43</b>	<b>7,234.29</b>	<b>31,270.23</b>
Less: Inter Segment Revenue	-	-	-	-
<b>Net Segment Revenue</b>	<b>7,619.34</b>	<b>8,063.43</b>	<b>7,234.29</b>	<b>31,270.23</b>
<b>Segment results before tax and finance costs</b>				
a) UK	425.64	580.65	281.05	1,905.51
b) USA and Canada	541.02	469.38	492.05	1,804.27
c) India	59.23	80.97	85.07	369.13
d) Rest of the World	64.10	16.02	140.36	266.36
<b>Total</b>	<b>1,089.99</b>	<b>1,147.02</b>	<b>998.53</b>	<b>4,345.27</b>
i) Finance costs	(183.73)	(197.83)	(213.42)	(851.47)
ii) Other unallocable expenditure net of unallocable Income	(345.27)	(349.10)	(355.36)	(1,461.00)
<b>Profit before tax and minority interest</b>	<b>560.99</b>	<b>600.09</b>	<b>429.75</b>	<b>2,032.80</b>
<b>Capital Employed</b>				
a) UK	1,552.76	1,475.99	1,989.15	1,475.99
b) USA and Canada	27,532.65	27,207.95	27,338.24	27,207.95
c) India	802.98	771.28	566.12	771.28
d) Rest of the World	679.92	881.29	519.02	881.29
e) Unallocated	1,901.63	1,559.41	2,151.38	1,559.41
	<b>32,469.94</b>	<b>31,895.92</b>	<b>32,563.91</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

Mumbai, India  
August 01 2014

**Rajesh Subramaniam**  
Managing Director and CEO

**Firstsource Solutions Limited**  
**AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2014**

(Rs. in millions, except per share data)

Particulars	Quarter ended June 30,	Quarter ended March 31,	Quarter ended June 30,	Year ended March 31,
	2014	2014	2013	2014
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income from operations</b>				
Income from operations	2,283.00	2,311.46	2,304.82	9,541.72
Other operating income, net	(70.72)	(122.53)	(56.42)	(368.44)
<b>Total income from operations</b>	<b>2,212.28</b>	<b>2,188.93</b>	<b>2,248.40</b>	<b>9,173.28</b>
<b>Expenses</b>				
Employee benefits expense	1,068.03	1,036.61	1,181.88	4,607.91
Depreciation and amortisation expense	118.28	121.45	129.36	527.19
Other expenses	660.04	672.64	678.46	2,668.42
<b>Total expenses</b>	<b>1,846.35</b>	<b>1,830.70</b>	<b>1,989.70</b>	<b>7,803.52</b>
<b>Profit from operations before other income and finance costs</b>	<b>365.93</b>	<b>358.23</b>	<b>258.70</b>	<b>1,369.76</b>
Other income	67.55	64.92	(10.46)	152.13
<b>Profit from ordinary activities before finance costs</b>	<b>433.48</b>	<b>423.15</b>	<b>248.24</b>	<b>1,521.89</b>
Finance costs	50.18	50.02	31.52	177.19
<b>Profit from ordinary activities before tax</b>	<b>383.30</b>	<b>373.13</b>	<b>216.72</b>	<b>1,344.70</b>
Tax expense	-	-	-	-
<b>Net profit from ordinary activities after tax</b>	<b>383.30</b>	<b>373.13</b>	<b>216.72</b>	<b>1,344.70</b>
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,614.21	6,597.35	6,581.74	6,597.35
Reserves excluding Revaluation Reserve		-		7,204.60
Earning Per Share (Rs.) (not annualised)				
-Basic	0.58	0.57	0.33	2.04
-Diluted	0.55	0.54	0.32	1.96
<b>Particulars of shareholding</b>				
Public shareholding				
- Number of shares of Rs. 10	28,74,44,765	28,57,58,203	28,41,97,078	28,57,58,203
- Percentage of shareholding	43.46%	43.31%	43.18%	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	37,39,76,673	37,39,76,673	37,39,76,673	37,39,76,673
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the company)	56.54%	56.69%	56.82%	56.69%

**Notes to financials results :**

- The above results were reviewed by the Audit Committee on July 31,2014 and adopted by the Board of Directors at their meeting held on August 01,2014.
- 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 June 30, 2014, 1,686,562 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter ended June 30, 2014, 3 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
- The Company is in the process of evaluating the useful lives of fixed assets in light of the useful life prescribed in Schedule II to the Companies Act, 2013. Management believes that any change in the useful life will not have material impact on the results for the quarter.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

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

Mumbai, India  
August 01,2014

**Rajesh Subramaniam**  
Managing Director and CEO