

Firstsource Solutions Limited
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015
CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064
Tel: + 91 22 66660888 Fax: + 91 22 6666 0887 web: www.firstsource.com, email-complianceofficer@firstsource.com

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

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2015	2014	2014	2015	2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations					
Income from operations	7,343.85	7,372.59	8,063.43	30,033.78	31,270.23
Other operating income, net	196.56	137.63	(101.39)	312.74	(211.47)
Total income from operations	7,540.41	7,510.22	7,962.04	30,346.52	31,058.76
Expenses					
Employee benefit expense	4,888.26	5,019.77	5,395.38	20,171.50	21,294.05
Depreciation and amortisation	179.82	189.28	181.01	721.82	757.02
Other expenses	1,659.24	1,554.89	1,577.58	6,367.40	6,143.46
Total expenses	6,727.32	6,763.94	7,153.97	27,260.72	28,194.53
Profit from operations before other income and finance costs	813.09	746.28	808.07	3,085.80	2,864.23
Other income	3.77	24.73	(10.15)	65.23	20.04
Profit from ordinary activities before finance costs	816.86	771.01	797.92	3,151.03	2,884.27
Finance costs	173.69	172.74	197.83	710.86	851.47
Profit from ordinary activities before tax	643.17	598.27	600.09	2,440.17	2,032.80
Tax expense	21.68	21.16	10.37	95.40	100.89
Net profit from ordinary activities after tax	621.49	577.11	589.72	2,344.77	1,931.91
Minority Interest	(1.66)	1.98	1.25	1.59	2.29
Net profit after tax and minority interest	623.15	575.13	588.47	2,343.18	1,929.62
Paid-up equity share capital (Face value of share Rs 10)	6,662.91	6,651.40	6,597.35	6,662.91	6,597.35
Reserves excluding revaluation Reserve	-	-	-	14,223.26	14,316.86
Earning Per Share (Rs.) : (Not Annualized)					
- Basic	0.94	0.87	0.89	3.53	2.93
- Diluted	0.89	0.81	0.86	3.34	2.82
Particulars of shareholding					
Public shareholding					
- Number of shares of Rs 10	292,314,786	291,163,261	285,758,203	292,314,786	285,758,203
- Percentage of shareholding	43.87%	43.77%	43.31%	43.87%	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
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	56.13%	56.23%	56.69%	56.13%	56.69%

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 5, 2015. The standalone financial results for the quarter and year ended March 31, 2015 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			Year ended	
	March 31, 2015	December 31, 2014	March 31, 2014	2015	2014
Total income from operations	2,207.03	2,337.03	2,188.93	9,141.39	9,173.28
Net profit before taxation	266.17	449.95	373.13	1,599.18	1,344.70
Net profit after taxation	285.23	458.82	373.13	1,637.54	1,344.70

- During the quarter ended March 31, 2015, 1,151,000 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the year, Medassist Holding Inc. and Medassist Acquisition LLC, subsidiaries of FG-US, merged effective 31 March 2015. As a result of the merger and as specified in the Scheme approved by the State of Delaware, the excess of investment over the value of net assets and reserves amounting to Rs 19,393.99 has been considered as Goodwill which when compared to the goodwill appearing in these consolidated financial accounts prior to the merger has resulted in a decrease of Goodwill by Rs.3,691.34.
- During the quarter, 4 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
- Other expenses include Rs 17.13 towards contribution made to CSR.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

10. Statement of assets and liabilities (Consolidated - Audited)		
Particulars	As at March 31,	
	2015	2014
Shareholders' funds		
Share capital	6,662.91	6,597.35
Reserves and surplus	14,223.26	14,316.86
Total Shareholders' funds	20,886.17	20,914.21
Share application money received under ESOP scheme	0.20	0.66
Minority interest	16.31	14.35
Non-current liabilities		
Long-term borrowings	4,142.98	6,641.50
Deferred tax liabilities, net	344.72	317.17
Other long-term liabilities	-	199.53
Long-term provisions	177.53	239.83
Total Non-current liabilities	4,665.23	7,398.03
Current liabilities		
Short-term borrowings	3,160.30	2,458.83
Trade payables	932.26	1,129.31
Other current liabilities	4,465.08	4,786.88
Short-term provisions	139.82	192.25
Total Current liabilities	8,697.46	8,567.27
Total - EQUITY AND LIABILITIES	34,265.37	36,894.52
ASSETS		
Non-current assets		
Goodwill on consolidation	23,336.35	25,940.39
Fixed assets		
- Tangible assets	770.73	855.45
- Intangible assets	332.19	508.44
- Capital work-in-progress	84.68	4.01
	1,187.60	1,367.90
Non-current investments	57.55	26.39
Long-term loans and advances	1,169.29	1,160.19
Other non-current assets	1,078.51	918.42
Total Non-current assets	26,829.30	29,413.29
Current assets		
Current investments	676.11	26.00
Trade receivables	2,889.51	3,019.26
Cash and bank balances	802.29	1,863.21
Short-term loans and advances	290.20	410.28
Other current assets	2,777.96	2,162.48
Total Current assets	7,436.07	7,481.23
TOTAL ASSETS	34,265.37	36,894.52

Segment Reporting					
Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2015	2014	2014	2015	2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue					
a) UK	2,639.01	2,621.03	2,868.12	10,778.35	11,135.07
b) USA and Canada	3,952.89	3,616.13	3,884.13	14,795.40	14,583.73
c) India	579.70	626.23	632.55	2,462.05	2,784.20
d) Rest of the world	172.25	509.20	678.63	1,997.98	2,767.23
Total	7,343.85	7,372.59	8,063.43	30,033.78	31,270.23
Less: Inter segment revenue	-	-	-	-	-
Net segment revenue	7,343.85	7,372.59	8,063.43	30,033.78	31,270.23
Segment results before tax and finance costs					
a) UK	644.11	613.43	580.65	2,236.95	1,905.51
b) USA and Canada	539.64	398.08	469.38	1,944.56	1,804.27
c) India	60.76	55.24	80.97	263.42	369.13
d) Rest of the World	19.02	75.60	16.02	225.86	266.36
Total	1,263.53	1,142.35	1,147.02	4,670.79	4,345.27
i) Finance costs	(173.69)	(172.74)	(197.83)	(710.86)	(851.47)
ii) Other un-allocable expenditure net of un-allocable Income	(446.67)	(371.34)	(349.10)	(1,519.76)	(1,461.00)
Profit before tax and minority interest	643.17	598.27	600.09	2,440.17	2,032.80
Capital Employed					
a) UK	1,136.45	1,303.42	1,475.99	1,136.45	1,475.99
b) USA and Canada	25,849.63	29,484.65	27,207.95	25,849.63	27,207.95
c) India	465.03	486.57	771.28	465.03	771.28
d) Rest of the World	81.30	759.31	881.29	81.30	881.29
e) Unallocated	2,325.22	1,780.24	1,559.41	2,325.22	1,559.41
	29,857.63	33,814.19	31,895.92	29,857.63	31,895.92

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

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(Rs. in millions, except per share data)

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2015	2014	2014	2015	2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations					
Income from operations	2,045.75	2,220.02	2,311.46	8,895.21	9,541.72
Other operating income, net	161.28	117.01	(122.53)	246.18	(368.44)
Total income from operations	2,207.03	2,337.03	2,188.93	9,141.39	9,173.28
Expenses					
Employee benefits expense	1,088.02	1,109.20	1,036.61	4,377.19	4,607.91
Depreciation and amortisation	113.13	115.09	121.45	464.30	527.19
Other expenses	666.23	666.25	672.64	2,685.16	2,668.42
Total expenses	1,867.38	1,890.54	1,830.70	7,526.65	7,803.52
Profit from operations before other income and finance costs	339.65	446.49	358.23	1,614.74	1,369.76
Other income	(37.04)	67.72	64.92	186.67	152.13
Profit from ordinary activities before finance costs	302.61	514.21	423.15	1,801.41	1,521.89
Finance costs	36.44	64.26	50.02	202.23	177.19
Profit from ordinary activities before tax	266.17	449.95	373.13	1,599.18	1,344.70
Tax expense	(19.06)	(8.87)	-	(38.36)	-
Net profit from ordinary activities after tax	285.23	458.82	373.13	1,637.54	1,344.70
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,662.91	6,651.40	6,597.35	6,662.91	6,597.35
Reserves excluding Revaluation Reserve				9,620.16	7,204.60
Earning Per Share (Rs.) (not annualised)					
-Basic	0.43	0.69	0.57	2.47	2.04
-Diluted	0.41	0.65	0.54	2.33	1.96
Particulars of shareholding					
Public shareholding					
- Number of shares of Rs. 10	292,314,786	291,163,261	285,758,203	292,314,786	285,758,203
- Percentage of shareholding	43.87%	43.77%	43.31%	43.87%	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
- 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)	56.13%	56.23%	56.69%	56.13%	56.69%

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 5, 2015.
2. 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).
3. During the quarter ended March 31, 2015, 1,151,000 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
4. During the quarter ended March 31, 2015, 4 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
5. Other expenses include Rs 17.13 towards contribution made to CSR.
6. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

7. Statement of Assets and liabilities (Audited)		
Particulars	As at	
	March, 31 2015	March, 31 2014
<u>EQUITIES AND LIABILITIES</u>		
Shareholders' funds		
Share capital	6,662.91	6,597.35
Reserves and surplus	9,620.16	7,204.60
Total Shareholders' funds	16,283.07	13,801.95
Share application money received under ESOP scheme	0.20	0.66
Non-current liabilities		
Long-term borrowings	1,218.08	1,217.72
Long-term provisions	73.41	62.57
Total Non-current liabilities	1,291.49	1,280.29
Current liabilities		
Short-term borrowings	1,007.07	661.26
Trade payables	254.00	305.94
Other current liabilities	755.44	1,599.69
Short-term provisions	38.11	41.66
Total Current liabilities	2,054.62	2,608.55
TOTAL - EQUITY AND LIABILITIES	19,629.38	17,691.45
<u>ASSETS</u>		
Non current assets		
Fixed assets		
- Tangible assets	322.27	447.13
- Intangible assets	262.50	408.90
- Capital work-in-progress	0.50	0.50
	585.27	856.53
Non-current investments	11,813.71	11,731.28
Deferred tax assets (net)	454.44	406.64
Long-term loans and advances	984.56	932.65
Other non-current assets	1,077.71	918.29
Total Non-current assets	14,915.69	14,845.39
Current Assets		
Current investments	649.11	-
Trade receivables	2,335.48	1,852.43
Cash and bank balances	260.98	287.79
Short-term loans and advances	337.85	399.30
Other current assets	1,130.27	306.54
Total Current assets	4,713.69	2,846.06
TOTAL - ASSETS	19,629.38	17,691.45
By order of the Board For Firstsource Solutions Limited		
Rajesh Subramaniam Managing Director and CEO		
Kolkata, India May 05, 2015		