

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Board of Directors of Firstsource Solutions Limited

Report on the Consolidated Quarterly and Year to Date Financial Results

We have audited the consolidated financial results of Firstsource Solutions Limited ('the Company') and its subsidiaries for the quarter ended 31 March 2016 and year to date consolidated financial results for the period from 1 April 2015 to 31 March 2016, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility for the Consolidated Quarterly and Year to Date Financial Results

These consolidated quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the consolidated financial statements, which is the responsibility of the Company's management, and have been approved by the Board of Directors. These consolidated financial statements have been prepared in accordance with Accounting Standards specified under Section 133 of the Companies Act 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Additionally, the Company has early adopted Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement, read with AS 31, Financial Instruments – Presentation, along with prescribed limited revisions to other accounting standards, issued by the Institute of Chartered Accountants of India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial results that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditors' Report (Continued)

Firstsource Solutions Limited

Auditor's Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated quarterly financial results as well as the year to date consolidated financial results:

- i. include the consolidated quarterly financial results as well as the year to date consolidated financial results of the following entities:
 - a. Firstsource Solutions Limited
 - b. Firstsource Group USA, Inc.
 - c. Firstsource Solutions UK Limited
 - d. Firstsource Solutions S.A.
 - e. Firstsource Advantage LLC
 - f. Firstsource Business Process Services, LLC
 - g. Firstsource Solutions USA LLC
 - h. Firstsource Transaction Services LLC
 - i. Firstsource Dialog Solutions (Private) Limited
 - j. Firstsource Process Management Services Limited (earlier known as Anunta Tech Infrastructure Services Limited)
 - k. Firstsource BPO Ireland Limited
 - l. One Advantage LLC
 - m. MedAssist Holding, LLC
- ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- iii. give a true and fair view of the consolidated net profit and other financial information for the quarter ended 31 March 2016 and year to date results for the period from 1 April 2015 to 31 March 2016.



Independent Auditors' Report (*Continued*)

Firstsource Solutions Limited

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial results that describes the early adoption by the Company of AS 30, Financial Instruments: Recognition and Measurement, read with AS 31, Financial Instruments – Presentation along with prescribed limited revisions to other Accounting Standards prescribed under the Act, as in management's opinion, it more appropriately reflects the nature/substance of the related transactions. The Company has accounted for assets and liabilities as per requirements of AS 30 including prescribed limited revisions to other Accounting Standards. AS 30, along with limited revisions to the other Accounting Standards, has not currently been notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Consequent to early adoption of AS 30 and the related limited revisions, consolidated profit before taxation for the quarter ended 31 March 2016 and for the period from 1 April 2015 to 31 March 2016 is higher by Rs 13.89 million and Rs. 178.36 million respectively.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Rajesh Mehra

Partner


Membership No: 103145

Kolkata

12 May 2016

<p style="text-align: center;">Firstsource Solutions Limited AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016 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)</p>					
Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2016	2015	2015	2016	2015
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations					
Income from operations	8,561.28	8,008.86	7,343.85	31,746.92	30,033.78
Other operating income, net	169.09	169.45	196.56	555.97	312.74
Total income from operations	8,730.37	8,178.31	7,540.41	32,302.89	30,346.52
Expenses					
Employee benefit expense	5,804.13	5,579.11	4,888.26	21,721.74	20,171.50
Depreciation and amortisation	146.95	159.94	179.82	661.96	721.82
Other expenses	1,764.31	1,593.92	1,659.24	6,533.01	6,367.40
Total expenses	7,715.39	7,332.97	6,727.32	28,916.71	27,260.72
Profit from operations before other income and finance costs	1,014.98	845.34	813.09	3,386.18	3,085.80
Other income	19.28	20.57	3.77	94.44	65.23
Profit from ordinary activities before finance costs	1,034.26	865.91	816.86	3,480.62	3,151.03
Finance costs	128.92	123.68	173.69	524.38	710.86
Profit from ordinary activities before tax	905.34	742.23	643.17	2,956.24	2,440.17
Tax expense	109.02	69.99	21.68	302.17	95.40
Net profit from ordinary activities after tax	796.32	672.24	621.49	2,654.07	2,344.77
Minority Interest	(0.37)	1.82	(1.66)	4.38	1.59
Net profit after tax and minority interest	796.69	670.42	623.15	2,649.69	2,343.18
Paid-up equity share capital (Face value of share Rs 10)	6,733.15	6,727.26	6,662.91	6,733.15	6,662.91
Reserves excluding revaluation reserve	-	-	-	17,517.65	14,223.26
Earning per share (Rs.) : (not annualized)					
- Basic	1.18	1.00	0.94	3.96	3.53
- Diluted	1.14	0.96	0.89	3.78	3.34
Notes to financials results :					
1. The above results were reviewed by the Audit Committee on May, 12 2016 and adopted by the Board of Directors at their meeting held on May 12, 2016. The standalone financial results for the quarter and year ended March 31, 2016 are available on the Company's website (www.firstsource.com) and the websites of BSE (www.bseindia.com) and NSE (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 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, 2016	December 31, 2015	March 31, 2015	2016	2015
Total income from operations	2,089.96	2,280.43	2,207.03	8,748.78	9,141.39
Net profit before taxation	333.64	523.49	266.17	1,741.19	1,599.18
Net profit after taxation	276.94	433.13	285.23	1,497.36	1,637.54
5. During the quarter ended March 31, 2016, 589,175 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.					
6. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.					



7. Statement of assets and liabilities (Consolidated - Audited)					
Particulars	As at March 31,				
	2016		2015		
Shareholders' funds					
Share capital		6,733.15			6,662.91
Reserves and surplus		17,517.65			14,223.26
Total Shareholders' funds		24,250.80			20,886.17
Share application money received under ESOP scheme		-			0.20
Minority interest		19.71			16.31
Non-current liabilities					
Long-term borrowings		4,269.65			4,142.98
Deferred tax liabilities, net		272.20			344.72
Long-term provisions		161.31			177.53
Total Non-current liabilities		4,703.16			4,665.23
Current liabilities					
Short-term borrowings		1,525.33			3,160.30
Trade payables		890.70			832.76
Other current liabilities		5,009.74			4,564.58
Short-term provisions		272.77			139.82
Total Current liabilities		7,698.54			8,697.46
Total - EQUITY AND LIABILITIES		36,672.21			34,265.37
ASSETS					
Non-current assets					
Goodwill on consolidation		24,692.41			23,336.35
Fixed assets					
- Tangible assets		891.85			770.73
- Intangible assets		435.97			332.19
- Capital work-in-progress		78.80			84.68
		1,406.62			1,187.60
Non-current investments					
Long-term loans and advances		83.80			57.55
Other non-current assets		2,460.79			2,220.78
		144.09			27.02
Total Non-current assets		28,787.71			26,829.30
Current assets					
Current investments		767.74			676.11
Trade receivables		3,040.75			2,889.51
Cash and bank balances		689.10			802.29
Short-term loans and advances		662.16			439.25
Other current assets		2,724.75			2,628.91
Total Current assets		7,884.50			7,436.07
TOTAL ASSETS		36,672.21			34,265.37
Segment Reporting					
Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2016	2015	2015	2016	2015
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue					
a) UK	3,262.42	3,169.89	2,639.01	11,879.34	10,778.35
b) USA and Canada	4,663.60	4,215.42	3,952.89	17,305.69	14,795.40
c) India	499.40	491.02	579.70	1,987.93	2,462.05
d) Rest of the world	135.86	132.53	172.25	573.96	1,997.98
Total	8,561.28	8,008.86	7,343.85	31,746.92	30,033.78
Less: Inter segment revenue	-	-	-	-	-
Net segment revenue	8,561.28	8,008.86	7,343.85	31,746.92	30,033.78
Segment results before tax and finance costs					
a) UK	616.85	696.99	644.11	2,392.29	2,236.95
b) USA and Canada	628.82	381.83	539.64	1,996.56	1,944.56
c) India	26.22	31.94	19.19	151.67	221.85
d) Rest of the World	32.64	33.36	19.02	151.52	225.86
Total	1,304.53	1,144.12	1,221.96	4,692.04	4,629.22
i) Finance costs	(128.92)	(123.68)	(173.69)	(524.38)	(710.86)
ii) Other unallocable expenditure net of unallocable Income	(270.27)	(278.21)	(405.10)	(1,211.42)	(1,478.19)
Profit before tax and minority interest	905.34	742.23	643.17	2,956.24	2,440.17
Capital Employed					
a) UK	1,428.62	1,331.57	1,136.45	1,428.62	1,136.45
b) USA and Canada	27,402.57	27,104.60	25,849.63	27,402.57	25,849.63
c) India	397.52	456.71	465.03	397.52	465.03
d) Rest of the World	76.10	84.58	81.30	76.10	81.30
e) Unallocated	2,466.87	2,623.69	2,325.22	2,466.87	2,325.22
	31,771.68	31,601.15	29,857.63	31,771.68	29,857.63
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 (USA), 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.					
<div style="text-align: right;">By order of the Board For Firstsource Solutions Limited</div> <div style="text-align: right;"> Rajesh Subramaniam Managing Director and CEO</div>					
Kolkata, India May 12, 2016					



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Independent Auditors' Report

To the Board of Directors of Firstsource Solutions Limited

Report on the Quarterly and Year to Date Financial Results

We have audited the financial results of Firstsource Solutions Limited ('the Company') for the quarter ended 31 March 2016 and year to date financial results for the period from 1 April 2015 to 31 March 2016, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management's Responsibility for the Quarterly and Year to Date Financial Results

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the financial statements, which is the responsibility of the Company's management, and have been approved by the Board of Directors. These financial statements have been prepared in accordance with Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. Additionally, the Company has early adopted Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement, read with AS-31, Financial Instruments – Presentation, along with prescribed limited revisions to other Accounting Standards, issued by the Institute of Chartered Accountants of India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of such financial statements. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



Independent Auditors' Report (*Continued*)

Firstsource Solutions Limited

Auditor's Responsibility (*Continued*)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the quarterly financial results as well as the year to date financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- ii. give a true and fair view of the net profit and other financial information for the quarter ended 31 March 2016 and year to date results for the period from 1 April 2015 to 31 March 2016.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 to the financial results that describes the early adoption by the Company of AS 30, Financial Instruments: Recognition and Measurement, read with AS 31, Financial Instruments – Presentation, along with prescribed limited revisions to other Accounting Standards prescribed under the Act, as in management's opinion, it more appropriately reflects the nature/ substance of the related transactions. The Company has accounted for assets and liabilities as per requirements of AS 30 including prescribed limited revisions to other Accounting Standards. AS 30, along with limited revisions to the other Accounting Standards, has not currently been notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Consequent to early adoption of AS 30 and the related limited revisions, profit after taxation for the quarter ended 31 March 2016 and for the period from 1 April 2015 to 31 March 2016 is higher by Rs 13.89 million and Rs 177.29 million respectively.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Rajesh Mehra

Partner

Membership No: 103145

Kolkata
12 May 2016

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016

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)

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2016	2015	2015	2016	2015
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations					
Income from operations	1,930.26	2,121.29	2,045.75	8,262.12	8,895.21
Other operating income, net	159.70	159.14	161.28	486.66	246.18
Total income from operations	2,089.96	2,280.43	2,207.03	8,748.78	9,141.39
Expenses					
Employee benefits expense	1,084.27	1,092.27	1,088.02	4,248.07	4,377.19
Depreciation and amortisation	50.63	70.70	113.13	329.93	464.30
Other expenses	650.79	597.47	666.23	2,523.75	2,685.16
Total expenses	1,785.69	1,760.44	1,867.38	7,101.75	7,526.65
Profit from operations before other income and finance costs	304.27	519.99	339.65	1,647.03	1,614.74
Other income	61.11	41.36	(37.04)	256.53	186.67
Profit from ordinary activities before finance costs	365.38	561.35	302.61	1,903.56	1,801.41
Finance costs	31.74	37.86	36.44	162.37	202.23
Profit from ordinary activities before tax	333.64	523.49	266.17	1,741.19	1,599.18
Tax expense	56.70	90.36	(19.06)	243.83	(38.36)
Net profit from ordinary activities after tax	276.94	433.13	285.23	1,497.36	1,637.54
Paid-up equity share capital (Face value of share Rs. 10)	6,733.15	6,727.26	6,662.91	6,733.15	6,662.91
Reserves excluding revaluation reserve				10,976.46	9,620.16
Earning per share (Rs.) (not annualised)					
-Basic	0.41	0.65	0.43	2.24	2.47
-Diluted	0.40	0.62	0.41	2.14	2.33

Notes to financials results :

- The above results were reviewed by the Audit Committee on May 12, 2016 and adopted by the Board of Directors at their meeting held on May 12, 2016.
- Effective year ended March 31, 2009, the Company has early adopted Accounting Standard 30 "Financial instruments: Recognition and Measurement", pursuant to announcement made by the Institute of Chartered Accountants of India (ICAI).
- During the quarter ended March 31, 2016, 589,175 Equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.



5. Statement of assets and liabilities (Audited)		
Particulars	As at	
	March, 31 2016	March, 31 2015
<u>EQUITIES AND LIABILITIES</u>		
Shareholders' funds		
Share capital	6,733.15	6,662.91
Reserves and surplus	10,976.46	9,620.16
Total Shareholders' funds	17,709.61	16,283.07
Share application money received under ESOP scheme	-	0.20
Non-current liabilities		
Long-term borrowings	1,163.22	1,218.08
Long-term provisions	111.48	73.41
Total Non-current liabilities	1,274.70	1,291.49
Current liabilities		
Short-term borrowings	584.80	1,007.07
Trade payables	255.35	254.00
Other current liabilities	700.66	755.44
Short-term provisions	33.69	38.11
Total Current liabilities	1,574.50	2,054.62
TOTAL - EQUITY AND LIABILITIES	20,558.81	19,629.38
<u>ASSETS</u>		
Non current assets		
Fixed assets		
- Tangible assets	265.49	322.27
- Intangible assets	132.98	262.50
- Capital work-in-progress	14.40	0.50
	412.87	585.27
Non-current investments	11,913.24	11,813.71
Deferred tax assets (net)	421.47	454.44
Long-term loans and advances	2,241.00	2,036.05
Other non-current assets	10.25	26.22
Total Non-current assets	14,998.83	14,915.69
Current Assets		
Current investments	740.24	649.11
Trade receivables	3,195.57	2,335.48
Cash and bank balances	366.33	260.98
Short-term loans and advances	493.43	486.90
Other current assets	784.41	981.22
Total Current assets	5,559.98	4,713.69
TOTAL - ASSETS	20,558.81	19,629.38
<div style="text-align: right;"> By order of the Board For Firstsource Solutions Limited  Rajesh Subramaniam Managing Director and CEO </div> <div style="text-align: left;"> Kolkata, India May 12, 2016 </div>		



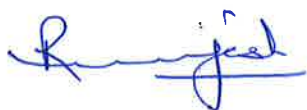
FORM A

Covering letter to the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Firstsource Solutions Limited
2.	Annual financial statements for the year ended	March 31, 2016
3.	Type of Audit observation	Emphasis of Matter
4.	Frequency of observation	Emphasis of Matter is repetitive since Financial Year 2008-09

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For Firstsource Solutions Limited



Rajesh Mehra
Partner
Membership No: 103145



Rajesh Subramaniam
Managing Director and CEO



Y.H. Malegam
Chairman - Audit Committee



Dinesh Jain
President and CFO

Kolkata
12 May 2016