

Firstsource Solutions Limited



Profit and Loss account summary
(consolidated figures)

(As per Indian GAAP)

In Rs. million, except per share data

Particulars	Quarter ended		Growth % in Q2 FY14 over Q2 FY13	Quarter ended	Growth % in Q2 FY14 over Q1 FY14
	September 30, 2013	September 30, 2012		June 30, 2013	
INCOME					
Income from services	7,978.97	7,255.10	10.0%	7,234.29	10.3%
Other Operating Income	(71.10)	(78.80)	-9.8%	(43.07)	65.1%
REVENUES FROM OPERATIONS	7,907.87	7,176.30	10.2%	7,191.22	10.0%
EXPENDITURE					
Operating expenses	1,547.58	1,545.10	0.2%	1,463.43	5.8%
Personnel expenses	5,464.97	4,950.50	10.4%	4,922.20	11.0%
	7,012.55	6,495.60	8.0%	6,385.63	9.8%
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	895.32	680.70	31.5%	805.60	11.1%
Operating EBITDA %	11.3%	9.5%		11.2%	
Depreciation / amortization	204.64	229.10	-10.7%	181.66	12.7%
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	690.68	451.60	52.9%	623.94	10.7%
Operating EBIT %	8.7%	6.3%		8.7%	
Interest Income / (expense), net	(228.61)	16.40	-1494.0%	(206.62)	10.6%
Exchange gain/ (loss) on Foreign currency loan	-	(6.50)	-	-	-
Amortized (cost) on fair value of FCCB	-	(40.30)	-	-	-
Other Income / (expense)	8.51	(9.00)	-194.6%	12.43	-31.5%
PROFIT/(LOSS) BEFORE TAX (PBT)	470.58	412.20	14.2%	429.75	9.5%
PBT (% of Total Income)	5.9%	5.8%		6.0%	
Taxes	22.71	54.55	-58.4%	20.13	12.8%
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	447.87	357.65	25.2%	409.62	9.3%
Minority Interest	0.29	(1.73)	-	(0.85)	-
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	447.58	359.38	24.5%	410.47	9.0%
PAT (% of Total Income)	5.7%	5.0%		5.7%	
EARNINGS PER SHARE (Equity shares of par value ` 10/ each)					
Basic	0.68	0.83		0.62	
Diluted	0.67	0.76		0.61	

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In Rs. million, except per share data

Particulars	Six Months ended		Growth
	September 30, 2013	September 30, 2012	(%)
INCOME			
Income from services	15,213.26	14,107.55	7.8%
Other Operating Income	(114.17)	(179.56)	-36.4%
REVENUES FROM OPERATIONS	15,099.09	13,927.99	8.4%
EXPENDITURE			
Operating expenses	3,011.02	3,079.16	-2.2%
Personnel expenses	10,387.17	9,611.49	8.1%
	13,398.19	12,690.65	5.6%
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	1,700.90	1,237.34	37.5%
Operating EBITDA %	11.3%	8.9%	
Depreciation / amortization	386.30	451.26	-14.4%
OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)	1,314.60	786.08	67.2%
Operating EBIT %	8.7%	5.6%	
Interest Income / (expense), net	(435.41)	43.84	-
Exchange gain/ (loss) on Foreign currency loan		(3.98)	-
Amortized (cost) on fair value of FCCB		(79.42)	-
Other Income / (expense)	21.14	3.54	497.2%
PROFIT/(LOSS) BEFORE TAX (PBT)	900.33	750.06	20.0%
PBT (% of Total Income)	6.0%	5.4%	
Taxes	42.84	97.46	-56.0%
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	857.49	652.60	31.4%
Minority Interest	(0.56)	3.47	-
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	858.05	649.13	32.2%
PAT (% of Total Income)	5.7%	4.7%	
EARNINGS PER SHARE (Equity shares of par value ` 10/ each)			
Basic	1.30	1.51	
Diluted	1.28	1.41	

Firstsource Solutions Limited



Balance sheet summary
(consolidated figures)

(As per Indian GAAP)

In Rs. million

Particulars	As on	
	Sept 30, 2013	June 30, 2013
EQUITY AND LIABILITIES		
Shareholder's funds		
Share capital	6,583.05	6,581.74
Reserve and surplus	13,226.46	12,133.21
	19,809.51	18,714.95
Minority interest	12.17	11.18
Non-current liabilities		
Long-term borrowings	8,382.44	8,620.54
Deferred tax liability, net	366.64	349.87
Other Long term liabilities	404.70	362.08
Long-term provisions	256.62	225.24
	9,410.40	9,557.73
Current liabilities		
Short-term borrowings	2,087.08	1,983.08
Trade payables	1,780.78	1,676.32
Other current liabilities	4,800.93	4,291.32
Short-term provisions	132.05	134.58
	8,800.84	8,085.30
	38,032.92	36,369.16
ASSETS		
Non-current assets		
Goodwill on consolidation	27,072.20	25,719.62
Fixed assets	1,432.01	1,252.22
Non-current investments	28.46	27.72
Long-term loans and advances	1,158.50	1,154.36
Other non-current assets	756.08	690.89
	30,447.25	28,844.81
Current Assets		
Current investments	-	450.52
Trade receivables	3,820.28	3,882.74
Cash and cash equivalents	1,468.84	1,052.02
Short-term loans and advances	394.58	421.46
Other current assets	1,901.97	1,717.61
	7,585.67	7,524.35
	38,032.92	36,369.16

Firstsource Solutions Limited



Cash Flow Statement (consolidated figures)

(As per Indian GAAP)

In Rs. million

Particulars	Quarter ended Sept, 2013	Half Year ended Sept 30, 2013
Sources		
Net Cash accruals / (losses)	836	1,572
Increase in Shareholders' Funds	261	6
Interest and dividend Received	2	4
Increase in Borrowings (Bank overdraft)	1	210
Decrease in Net current Assets	8	713
Fixed Assets	10	237
Total Sources	1,118	2,742
Uses		
Increase in Net current Assets	-	-
Taxes paid	108	198
Capital Expenditure	47	131
Business Acquisition, net of cash aquired	-	-
Interest Expense	205	414
Decrease in Borrowings (incl CC & FCNR)	704	1,372
Total Uses	1,064	2,115
Surplus / (Deficit)	54	626
Effect of exchange rate on translation of subsidiaries	(85)	(57)
Opening Cash and Cash Equivalents	1530	930
Closing Cash and Cash Equivalents	1,500	1,500

Firstsource Solutions Limited

OPERATING METRICS
Revenue by Industry

	Quarter Ended			Year Ended	
	Sept 30, 2013	Sept 30, 2012	June 30, 2013	Mar 31, 2013	Mar 31, 2012
BFSI	22.4%	24.3%	22.4%	23.7%	27.9%
Telecom & Media	44.7%	43.9%	45.4%	44.0%	37.0%
Healthcare	32.3%	31.2%	31.5%	31.7%	34.3%
Others	0.6%	0.6%	0.7%	0.7%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Revenue by Geography

	Quarter Ended			Year Ended	
	Sept 30, 2013	Sept 30, 2012	June 30, 2013	Mar 31, 2013	Mar 31, 2012
US (including Canada)	45.8%	45.3%	45.8%	46.2%	51.8%
UK	35.8%	35.1%	34.5%	34.2%	31.4%
India	9.1%	10.4%	10.5%	10.5%	12.0%
Rest of world*	9.3%	9.2%	9.2%	9.1%	4.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

* Rest of world (RoW) primarily includes Europe (excluding UK), Australia and Sri Lanka

Revenue by Delivery location

	Quarter Ended			Year Ended	
	Sept 30, 2013	Sept 30, 2012	June 30, 2013	Mar 31, 2013	Mar 31, 2012
Offshore	21.4%	21.0%	21.9%	21.1%	22.9%
Domestic	10.0%	11.0%	11.3%	11.2%	12.6%
Onshore	68.6%	68.0%	66.9%	67.7%	64.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Client Concentration

	Quarter Ended			Year Ended	
	Sept 30, 2013	Sept 30, 2012	June 30, 2013	Mar 31, 2013	Mar 31, 2012
Client contribution to revenues					
Top customer	18.9%	13.7%	18.5%	16.7%	13.1%
Top 5 customers	44.9%	40.7%	42.7%	45.5%	39.6%

Employee and Seats Metrics

	Quarter Ended			Year Ended	
	Sept 30, 2013	Sept 30, 2012	June 30, 2013	Mar 31, 2013	Mar 31, 2012
Total employees (end of period)	30,390	32,365	31,623	31,872	30,086
Net Addition	(1,233)	(188)	(249)	1,786	3,673
Employees in India	20,055	22,177	20,671	20,987	21,601
Employees outside India	10,335	10,188	10,952	10,885	8,485
Number of seats	23,664	24,358	23,637	24,053	24,243
Seat fill factor	81%	80%	82%	82%	74%

Attrition Snapshot

	Post 180 days attrition - Quarter annualized	
	Q2 FY14	Q1 FY14
Domestic (India and Sri Lanka)	85.6%	101.3%
Offshore (India and Philippines)	57.3%	52.7%
Onshore (US and Europe)	47.4%	39.9%

Other Metrics

	Period ended	
	Sept 30, 2013	June 30, 2013
Capital Expenditure (In ` million)	47.0	53.0