

# Firstsource Solutions Limited



## Profit and Loss account summary

(As per Indian GAAP)

(consolidated figures)

In INR million, except per share data

Particulars	Quarter ended		Growth % in Q3 FY14 over Q3 FY13	Quarter ended	Growth % in Q3 FY14 over Q2 FY14
	December 31, 2013	December 31, 2012		September 30, 2013	
<b>INCOME</b>					
Income from services	7,993.54	7,195.84	11.1%	7,978.97	0.2%
Other Operating Income	4.09	(63.77)	-	(71.10)	-
<b>REVENUES FROM OPERATIONS</b>	<b>7,997.63</b>	<b>7,132.07</b>	<b>12.1%</b>	<b>7,907.87</b>	<b>1.1%</b>
<b>EXPENDITURE</b>					
Operating expenses	1,554.86	1,501.54	3.6%	1,547.58	0.5%
Personnel expenses	5,511.50	4,902.66	12.4%	5,464.97	0.9%
	7,066.36	6,404.20	10.3%	7,012.55	0.8%
<b>OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)</b>	<b>931.27</b>	<b>727.87</b>	<b>27.9%</b>	<b>895.32</b>	<b>4.0%</b>
<b>Operating EBITDA %</b>	<b>11.6%</b>	<b>10.2%</b>		<b>11.3%</b>	
Depreciation / amortization	189.71	215.18	-11.8%	204.64	-7.3%
<b>OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)</b>	<b>741.56</b>	<b>512.69</b>	<b>44.6%</b>	<b>690.68</b>	<b>7.4%</b>
<b>Operating EBIT %</b>	<b>9.3%</b>	<b>7.2%</b>		<b>8.7%</b>	
Interest Income / (expense), net	(205.30)	(43.96)	367.0%	(228.61)	-10.2%
Exchange gain/ (loss) on Foreign currency loan		5.66	-	-	-
Amortized (cost) on fair value of FCCB		(26.59)	-	-	-
Other Income / (expense)	(3.87)	(9.20)	-57.9%	8.51	-145.5%
<b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>	<b>532.38</b>	<b>438.60</b>	<b>21.4%</b>	<b>470.58</b>	<b>13.1%</b>
<b>PBT (% of Total Income)</b>	<b>6.7%</b>	<b>6.2%</b>		<b>5.9%</b>	
Taxes	47.68	29.83	59.8%	22.71	110.0%
<b>PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>	<b>484.70</b>	<b>408.77</b>	<b>18.6%</b>	<b>447.87</b>	<b>8.2%</b>
Minority Interest	1.60	(5.92)	-	0.29	-
<b>PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)</b>	<b>483.10</b>	<b>414.69</b>	<b>16.5%</b>	<b>447.58</b>	<b>7.9%</b>
<b>PAT (% of Total Income)</b>	<b>6.0%</b>	<b>5.8%</b>		<b>5.7%</b>	
<b>EARNINGS PER SHARE</b> (Equity shares of par value INR 10/ each)					
Basic	0.73	0.83		0.68	
Diluted	0.71	0.83		0.67	

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## Profit and Loss account summary (consolidated figures)

(As per Indian GAAP)

In INR million, except per share data

Particulars	Nine Months ended		Growth (%)
	December 31, 2013	December 31, 2012	
<b>INCOME</b>			
Income from services	23,206.80	21,303.39	8.9%
Other Operating Income	(110.08)	(243.33)	-
<b>REVENUES FROM OPERATIONS</b>	<b>23,096.72</b>	<b>21,060.06</b>	<b>9.7%</b>
<b>EXPENDITURE</b>			
Operating expenses	4,565.88	4,580.70	-0.3%
Personnel expenses	15,898.67	14,514.15	9.5%
	20,464.55	19,094.85	7.2%
<b>OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)</b>	<b>2,632.17</b>	<b>1,965.21</b>	<b>33.9%</b>
<b>Operating EBITDA %</b>	<b>11.4%</b>	<b>9.3%</b>	
Depreciation / amortization	576.01	666.44	-13.6%
<b>OPERATING EARNINGS BEFORE INTEREST AND TAX (EBIT)</b>	<b>2,056.16</b>	<b>1,298.77</b>	<b>58.3%</b>
<b>Operating EBIT %</b>	<b>8.9%</b>	<b>6.2%</b>	
Interest Income / (expense), net	(632.39)	(0.19)	-
Exchange gain/ (loss) on Foreign currency loan		2.22	-
Amortized (cost) on fair value of FCCB		(106.40)	-
Other Income / (expense)	8.94	(5.71)	-
<b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>	<b>1,432.71</b>	<b>1,188.69</b>	<b>20.5%</b>
<b>PBT (% of Total Income)</b>	<b>6.2%</b>	<b>5.6%</b>	
Taxes	90.52	127.29	-28.9%
<b>PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>	<b>1,342.19</b>	<b>1,061.40</b>	<b>26.5%</b>
Minority Interest	1.04	(2.45)	-
<b>PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)</b>	<b>1,341.15</b>	<b>1,063.85</b>	<b>26.1%</b>
<b>PAT (% of Total Income)</b>	<b>5.8%</b>	<b>5.1%</b>	
<b>EARNINGS PER SHARE</b> (Equity shares of par value INR 10/ each)			
Basic	2.04	2.35	
Diluted	1.98	2.35	

**Balance sheet summary**

(As per Indian GAAP)

(consolidated figures)

In INR million

Particulars	As on	
	Dec 31, 2013	Sept 30, 2013
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's funds</b>		
Share capital	6,587.35	6,583.05
Reserve and surplus	13,831.62	13,226.46
	20,418.97	19,809.51
<b>Share application money pending allotment</b>	0.19	-
<b>Minority interest</b>	13.59	12.17
<b>Non-current liabilities</b>		
Long-term borrowings	7,563.51	8,382.44
Deferred tax liability, net	367.59	366.64
Other Long term liabilities	204.28	404.70
Long-term provisions	252.41	256.62
	8,387.79	9,410.40
<b>Current liabilities</b>		
Short-term borrowings	2,191.78	2,087.08
Trade payables	1,345.15	1,780.78
Other current liabilities	5,088.97	4,800.93
Short-term provisions	164.31	132.05
	8,790.21	8,800.84
	<b>37,610.75</b>	<b>38,032.92</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill on consolidation	26,735.56	27,072.20
Fixed assets	1,487.80	1,432.01
Non-current investments	27.30	28.46
Long-term loans and advances	1,133.41	1,158.50
Other non-current assets	833.55	756.08
	30,217.62	30,447.25
<b>Current Assets</b>		
Current investments	381.50	-
Trade receivables	3,051.73	3,820.28
Cash and cash equivalents	1,494.09	1,468.84
Short-term loans and advances	426.94	394.58
Other current assets	2,038.87	1,901.97
	7,393.13	7,585.67
	<b>37,610.75</b>	<b>38,032.92</b>

# Firstsource Solutions Limited



## Cash Flow Statement

(As per Indian GAAP)

(consolidated figures)

In INR million

Particulars	Quarter ended Dec, 2013	9 Months ended Dec 31, 2013
<b>Sources</b>		
Net Cash accruals / (losses)	832	2,404
Increase in Shareholders' Funds	5	12
Interest and dividend Received	3	7
Increase in Borrowings (Bank overdraft)	119	329
Decrease in Net current Assets	535	1,248
Sale of Fixed Assets	(0)	237
<b>Total Sources</b>	<b>1,494</b>	<b>4,236</b>
<b>Uses</b>		
Increase in Net current Assets		
Taxes paid	87	285
Capital Expenditure	113	244
Business Acquisition, net of cash acquired	-	-
Interest Expense	193	607
Decrease in Borrowings (incl CC & FCNR)	698	2,071
<b>Total Uses</b>	<b>1,092</b>	<b>3,207</b>
Surplus / (Deficit)	403	1,029
Effect of exchange rate on translation of subsidiaries	3	(54)
Opening Cash and Cash Equivalents	1,500	930
Closing Cash and Cash Equivalents	1,905	1,905

**OPERATING METRICS**
**Revenue by Industry**

	Quarter Ended			Year Ended	
	Dec 31, 2013	Dec 31, 2012	Sept 30, 2013	Mar 31, 2013	Mar 31, 2012
	BFSI	23.7%	23.3%	22.4%	23.7%
Telecom & Media	43.8%	44.8%	44.7%	44.0%	37.0%
Healthcare	31.9%	31.3%	32.3%	31.7%	34.3%
Others	0.6%	0.7%	0.6%	0.7%	0.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Revenue by Geography**

	Quarter Ended			Year Ended	
	Dec 31, 2013	Dec 31, 2012	Sept 30, 2013	Mar 31, 2013	Mar 31, 2012
	US (including Canada)	46.6%	45.5%	45.8%	46.2%
UK	36.5%	35.0%	35.8%	34.2%	31.4%
India	8.3%	10.7%	9.1%	10.5%	12.0%
Rest of world*	8.5%	8.9%	9.3%	9.1%	4.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

**Revenue by Delivery location**

	Quarter Ended			Year Ended	
	Dec 31, 2013	Dec 31, 2012	Sept 30, 2013	Mar 31, 2013	Mar 31, 2012
	Offshore	20.6%	21.5%	21.4%	21.1%
Domestic	9.4%	11.3%	10.0%	11.2%	12.6%
Onshore	70.0%	67.2%	68.6%	67.7%	64.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Client Concentration**

	Quarter Ended			Year Ended	
	Dec 31, 2013	Dec 31, 2012	Sept 30, 2013	Mar 31, 2013	Mar 31, 2012
	Client contribution to revenues				
Top customer	21.8%	17.9%	18.9%	16.7%	13.1%
Top 5 customers	45.4%	46.4%	44.9%	45.5%	39.6%

**Employee and Seats Metrics**

	Quarter Ended			Year Ended	
	Dec 31, 2013	Dec 31, 2012	Sept 30, 2013	Mar 31, 2013	Mar 31, 2012
	Total employees (end of period)	29,946	31,902	30,390	31,872
Net Addition	(444)	(463)	(1,233)	1,786	3,673
Employees in India	19,652	21,345	20,055	20,987	21,601
Employees outside India	10,294	10,557	10,335	10,885	8,485
Number of seats	23,545	24,084	23,664	24,053	24,243
Seat fill factor	78%	81%	81%	82%	74%

**Attrition Snapshot**

	Post 180 days attrition - Quarter annualized	
	Q3 FY14	Q2 FY14
	Domestic (India and Sri Lanka)	92.8%
Offshore (India and Philippines)	49.2%	57.3%
Onshore (US and Europe)	33.8%	47.4%

**Other Metrics**

	Period ended	
	Dec 31, 2013	Sept 30, 2013
	Capital Expenditure (In INR million)	119.0