

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2014

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

Particulars	Quarter ended			Six Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30 2014	September 30, 2013	March 31, 2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations						
Income from operations	7,698.00	7,619.34	7,978.97	15,317.34	15,213.26	31,270.23
Other operating income, net	41.85	(63.30)	(71.10)	(21.45)	(114.17)	(211.47)
Total income from operations	7,739.85	7,556.04	7,907.87	15,295.89	15,099.09	31,058.76
Expenses						
Employee benefits expense	5,200.04	5,074.92	5,464.97	10,274.96	10,387.17	21,294.05
Depreciation and amortisation	177.26	175.46	204.64	352.72	386.30	757.02
Other expenses	1,591.09	1,550.69	1,547.58	3,141.78	3,011.02	6,143.46
Total expenses	6,968.39	6,801.07	7,217.19	13,769.46	13,784.49	28,194.53
Profit from operations before other income and finance costs	771.46	754.97	690.68	1,526.43	1,314.60	2,864.23
Other income	46.97	(10.25)	8.51	36.73	27.76	20.04
Profit from ordinary activities before finance costs	818.43	744.72	699.19	1,563.16	1,342.36	2,884.27
Finance costs	180.70	183.73	228.61	364.43	442.03	851.47
Profit from ordinary activities before tax	637.73	560.99	470.58	1,198.73	900.33	2,032.80
Tax expense	24.71	27.85	22.71	52.56	42.84	100.89
Net profit from ordinary activities after tax	613.02	533.14	447.87	1,146.17	857.49	1,931.91
Minority Interest	0.61	0.66	0.29	1.27	(0.56)	2.29
Net profit after tax and minority interest	612.41	532.48	447.58	1,144.90	858.05	1,929.62
Paid-up Equity Share Capital (Face Value of Share Rs. 10)	6,630.05	6,614.21	6,583.05	6,630.05	6,583.05	6,597.35
Reserves excluding Revaluation Reserve				16,160.32	13,226.46	14,316.86
Earning Per Share (Rs.) : (Not Annualized)						
- Basic	0.93	0.81	0.68	1.73	1.30	2.93
- Diluted	0.87	0.77	0.67	1.62	1.28	2.82
Particulars of shareholding						
Public shareholding						
- Number of shares of Rs. 10	289,028,015	287,444,765	284,328,328	289,028,015	284,328,328	285,758,203
- Percentage of shareholding	43.59%	43.46%	43.19%	43.59%	43.19%	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	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%	100.00%
- Percentage of shares (as a % of the total share capital of the company)	56.41%	56.54%	56.81%	56.41%	56.81%	56.69%

Notes to financial results :

- The above results were reviewed by the Audit Committee on November 13, 2014 and adopted by the Board of Directors at their meeting held on November 14, 2014. The standalone financial results for the quarter and six months ended September 30, 2014 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			Six Months ended		Year ended
	September 30 2014	June 30 2014	September 30 2013	September 30 2014	September 30 2013	March 31 2014
Total income from operations	2,385.05	2,212.28	2,378.12	4,597.33	4,626.52	9,173.28
Net profit before taxation	527.50	383.30	392.02	910.80	608.74	1,344.70
Net profit after taxation	537.93	383.30	392.02	921.23	608.74	1,344.70

- During the quarter ended September 30, 2014, 1,583,250 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter ended September 30, 2014, 41 complaints were received from investors which were resolved. There was no complaint pending at the beginning and at the end of the quarter.
- Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.
- Statement of assets and liabilities (Consolidated - Audited)

Particulars	As at September 30, 2014	As at March 31, 2014
Shareholders' funds		
Share capital	6,630.05	6,597.35
Reserves and surplus	16,160.32	14,316.86
Total Shareholders' funds	22,790.37	20,914.21
Share application money received under ESOP scheme	0.11	0.66
Minority interest	16.09	14.35
Non-current liabilities		
Long-term borrowings	5,454.77	6,641.50
Deferred tax liabilities, net	323.55	317.17
Other long-term liabilities	199.83	199.53
Long-term provisions	267.86	239.83
Total Non-current liabilities	6,246.01	7,398.03
Current liabilities		
Short-term borrowings	3,030.73	2,458.83
Trade payables	1,069.91	1,129.31
Other current liabilities	4,574.89	4,786.89
Short-term provisions	143.46	192.25
Total Current liabilities	8,818.99	8,567.28
Total - EQUITY AND LIABILITIES	37,871.57	36,894.52
ASSETS		
Non-current assets		
Goodwill on consolidation	26,712.47	25,940.39
Fixed assets		
- Tangible assets	804.49	855.45
- Intangible assets	430.08	508.44
- Capital work-in-progress	4.01	4.01
	1,238.58	1,367.90
Non-current investments	56.97	26.39
Long-term loans and advances	1,067.70	1,160.19
Other non-current assets	1,090.49	918.42
Total Non-current assets	30,166.21	29,413.29
Current assets		
Current investments	237.00	26.00
Trade receivables	2,905.89	3,019.26
Cash and bank balances	1,606.02	1,863.21
Short-term loans and advances	438.25	410.28
Other current assets	2,518.20	2,162.48
Total Current assets	7,705.36	7,481.23
TOTAL - ASSETS	37,871.57	36,894.52

Segment Reporting

Particulars	Quarter ended			Six Months ended		Year ended
	September 30, 2014	June 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013	March 31, 2014
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment Revenue						
a) UK	2,784.62	2,733.69	2,857.74	5,518.31	5,350.93	11,135.07
b) USA and Canada	3,606.25	3,620.13	3,657.25	7,226.38	6,971.02	14,583.73
c) India	641.71	614.41	726.76	1,256.12	1,485.13	2,784.20
d) Rest of the World	665.42	651.11	737.22	1,316.53	1,406.18	2,767.23
Total	7,698.00	7,619.34	7,978.97	15,317.34	15,213.26	31,270.23
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Segment Revenue	7,698.00	7,619.34	7,978.97	15,317.34	15,213.26	31,270.23
Segment results before tax and finance costs						
a) UK	553.77	425.64	508.84	979.41	789.89	1,905.51
b) USA and Canada	465.82	541.02	414.46	1,006.84	906.51	1,804.27
c) India	88.18	59.23	73.12	147.41	158.19	369.13
d) Rest of the World	67.15	64.10	76.13	131.25	216.49	266.36
Total	1,174.92	1,089.99	1,072.55	2,264.91	2,071.08	4,345.27
i) Finance costs	(180.70)	(183.73)	(228.61)	(364.43)	(442.03)	(851.47)
ii) Other unallocable expenditure net of unallocable Income	(356.49)	(345.27)	(373.36)	(701.75)	(728.72)	(1,461.00)
Profit before tax and minority interest	637.73	560.99	470.58	1,198.73	900.33	2,032.80
Capital Employed						
a) UK	1,216.29	1,552.76	2,184.49	1,216.29	2,184.49	1,475.99
b) USA and Canada	28,800.85	27,532.65	28,715.26	28,800.85	28,715.26	27,207.95
c) India	494.75	802.98	473.03	494.75	473.03	771.28
d) Rest of the World	646.72	679.92	619.44	646.72	619.44	881.29
e) Unallocated	1,980.10	1,901.63	514.87	1,980.10	514.87	1,559.41
Total	33,138.71	32,469.94	32,507.09	33,138.71	32,507.09	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

Rajesh Subramaniam
Managing Director and CEO

Mumbai, India
November 14, 2014

Firstsource Solutions Limited, CIN: L64202MH2001PLC134147

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