

# Firstsource Solutions Limited

## AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2014

(Rupees in millions, except per share data and per equity data)

Particulars	Quarter ended			Year ended	
	March 31 2014	December 31 2013	March 31 2013	March 31 2014	March 31 2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income from operations</b>					
Revenue from operations	8,063.43	7,993.54	7,136.79	31,270.23	28,440.18
Other operating income, net	(101.39)	4.09	(11.50)	(211.47)	(254.83)
<b>Total income from operations</b>	<b>7,962.04</b>	<b>7,997.63</b>	<b>7,125.29</b>	<b>31,058.76</b>	<b>28,185.35</b>
<b>Expenses</b>					
Employee benefit expense	5,395.38	5,511.50	4,834.57	21,294.05	19,348.72
Depreciation and amortisation	181.01	189.71	217.54	757.02	883.98
Other expenses	1,577.58	1,554.86	1,460.31	6,143.46	6,041.01
<b>Total expenses</b>	<b>7,153.97</b>	<b>7,256.07</b>	<b>6,512.42</b>	<b>28,194.53</b>	<b>26,273.71</b>
<b>Profit from operations before other income and finance costs</b>	<b>808.07</b>	<b>741.56</b>	<b>612.87</b>	<b>2,864.23</b>	<b>1,911.64</b>
Other income	(10.15)	2.43	(1.09)	20.04	463.95
<b>Profit from ordinary activities before finance costs</b>	<b>797.92</b>	<b>743.99</b>	<b>611.78</b>	<b>2,884.27</b>	<b>2,375.59</b>
Finance costs	197.83	211.61	208.50	851.47	783.65
<b>Profit from ordinary activities before tax</b>	<b>600.09</b>	<b>532.38</b>	<b>403.28</b>	<b>2,032.80</b>	<b>1,591.94</b>
Tax expense	10.37	47.68	1.94	100.89	129.23
<b>Net profit from ordinary activities after tax</b>	<b>589.72</b>	<b>484.70</b>	<b>401.34</b>	<b>1,931.91</b>	<b>1,462.71</b>
Minority Interest	1.25	1.60	(0.76)	2.29	(3.21)
<b>Net profit after tax and minority interest</b>	<b>588.47</b>	<b>483.10</b>	<b>402.10</b>	<b>1,929.62</b>	<b>1,465.92</b>
Paid-up equity share capital (Face value of share Rs 10)	6,597.35	6,587.35	6,576.74	6,597.35	6,576.74
Reserves excluding revaluation reserve	-	-	-	14,316.86	10,559.64
Earning Per Share (Rs.) : (Not Annualized)					
- Basic	0.89	0.73	0.61	2.93	2.91
- Diluted	0.86	0.71	0.60	2.82	2.82
<b>Particulars of shareholding</b>					
Public shareholding					
- Number of shares of Rs 10	285,758,203	284,758,328	283,697,078	285,758,203	283,697,078
- Percentage of shareholding	43.31%	43.23%	43.14%	43.31%	43.14%
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)	56.69%	56.77%	56.86%	56.69%	56.86%

### Notes to financial results :

- The above results were reviewed by the Audit Committee and adopted by the Board of Directors at their meeting held on May 2, 2014. The standalone financial results for the quarter and year ended March 31, 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 and losses 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 March 31,		Year ended March 31,	
	2014	2013	2014	2013
Total income from operations	2,188.93	2,196.80	9,173.28	8,808.15
Net profit before taxation	373.13	325.61	1,344.70	1,173.89
Net profit after taxation	373.13	325.61	1,344.70	1,173.89

- During the quarter and year ended March 31, 2014, 999,875 and 2,061,125 Equity shares were issued respectively pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter, 11 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 March 31,	
	2014	2013
<b>Shareholders' funds</b>		
Share capital	6,597.35	6,576.74
Reserves and surplus	14,316.86	10,559.64
<b>Total Shareholders' funds</b>	<b>20,914.21</b>	<b>17,136.38</b>
Share application money received under ESOP scheme	0.66	-
<b>Minority interest</b>	<b>14.35</b>	<b>11.36</b>
<b>Non-current liabilities</b>		
Long-term borrowings	6,641.50	8,500.64
Deferred tax liabilities, net	317.17	282.90
Other long-term liabilities	199.53	328.92
Long-term provisions	201.04	223.59
<b>Total Non-current liabilities</b>	<b>7,359.24</b>	<b>9,336.05</b>
<b>Current liabilities</b>		
Short-term borrowings	2,458.83	1,628.60
Trade payables	1,129.31	1,361.22
Other current liabilities	4,825.67	4,163.17
Short-term provisions	192.25	87.10
<b>Total Current liabilities</b>	<b>8,606.06</b>	<b>7,240.09</b>
<b>Total - EQUITY AND LIABILITIES</b>	<b>36,894.52</b>	<b>33,723.88</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill on consolidation	25,940.39	23,601.03
Fixed assets		
- Tangible assets	855.45	1,091.90
- Intangible assets	508.44	451.45
- Capital work-in-progress	4.01	18.20
	<b>1,367.90</b>	<b>1,561.55</b>
Non-current investments	26.39	26.81
Long-term loans and advances	1,179.07	1,339.37
Other non-current assets	899.54	651.10
<b>Total Non-current assets</b>	<b>29,413.29</b>	<b>27,179.86</b>
<b>Current assets</b>		
Current investments	26.00	-
Trade receivables	3,019.26	3,865.84
Cash and bank balances	1,863.21	901.01
Short-term loans and advances	410.28	319.73
Other current assets	2,162.48	1,457.44
<b>Total Current assets</b>	<b>7,481.23</b>	<b>6,544.02</b>
<b>TOTAL ASSETS</b>	<b>36,894.52</b>	<b>33,723.88</b>

### SEGMENT REPORTING

Particulars	Quarter ended			Year ended	
	March 31 2014	December 31 2013	March 31 2013	March 31 2014	March 31 2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Segment revenue</b>					
a) UK	2,868.12	2,916.02	2,409.92	11,135.07	9,724.53
b) USA and Canada	3,884.13	3,728.58	3,289.09	14,583.73	13,133.47
c) India	632.55	666.52	808.61	2,784.20	2,993.17
d) Rest of the world	678.63	682.42	629.17	2,767.23	2,589.01
<b>Total</b>	<b>8,063.43</b>	<b>7,993.54</b>	<b>7,136.79</b>	<b>31,270.23</b>	<b>28,440.18</b>
Less: Inter segment revenue	-	-	-	-	-
<b>Net segment revenue</b>	<b>8,063.43</b>	<b>7,993.54</b>	<b>7,136.79</b>	<b>31,270.23</b>	<b>28,440.18</b>
<b>Segment results before tax and finance costs</b>					
a) UK	580.65	534.97	207.81	1,905.51	1,007.35
b) USA and Canada	469.38	428.38	456.43	1,804.27	1,772.66
c) India	80.97	129.97	84.62	369.13	119.63
d) Rest of the World	16.02	33.85	82.71	266.36	293.14
<b>Total</b>	<b>1,147.02</b>	<b>1,127.17</b>	<b>831.57</b>	<b>4,345.27</b>	<b>3,192.78</b>
i) Finance costs	(197.83)	(211.61)	(208.50)	(851.47)	(783.65)
ii) Other un-allocable expenditure net of un-allocable Income	(349.10)	(383.18)	(219.79)	(1,461.00)	(817.19)
<b>Profit before tax and minority interest</b>	<b>600.09</b>	<b>532.38</b>	<b>403.28</b>	<b>2,032.80</b>	<b>1,591.94</b>
<b>Capital Employed</b>					
a) UK	1,475.99	1,644.49	1,911.96	1,475.99	1,911.96
b) USA and Canada	27,207.95	28,383.99	25,145.84	27,207.95	25,145.84
c) India	771.28	428.50	578.63	771.28	578.63
d) Rest of the World	881.29	568.87	628.01	881.29	628.01
e) Unallocated	1,559.41	1,289.44	1,804.97	1,559.41	1,804.97
<b>Total</b>	<b>31,895.92</b>	<b>32,315.29</b>	<b>30,069.41</b>	<b>31,895.92</b>	<b>30,069.41</b>

### 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 trade receivables 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  
May 2, 2014