

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	December 31	March 31	March 31	March 31
	2014	2013	2013	2014	2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations					
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)
Total income from operations	7,962.04	7,997.63	7,125.29	31,058.76	28,185.35
Expenses					
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
Total expenses	7,153.97	7,256.07	6,512.42	28,194.53	26,273.71
Profit from operations before other income and finance costs	808.07	741.56	612.87	2,864.23	1,911.64
Other income	(10.15)	2.43	(1.09)	20.04	463.95
Profit from ordinary activities before finance costs	797.92	743.99	611.78	2,884.27	2,375.59
Finance costs	197.83	211.61	208.50	851.47	783.65
Profit from ordinary activities before tax	600.09	532.38	403.28	2,032.80	1,591.94
Tax expense	10.37	47.68	1.94	100.89	129.23
Net profit from ordinary activities after tax	589.72	484.70	401.34	1,931.91	1,462.71
Minority Interest	1.25	1.60	(0.76)	2.29	(3.21)
Net profit after tax and minority interest	588.47	483.10	402.10	1,929.62	1,465.92
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
Particulars of shareholding					
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 financials results :

1. 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).

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 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.

3. 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).

4. Standalone information (Audited)

Particulars	Quarter ended		Year ended	
	March 31,		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

5. 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.

6. 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.

7. Figures for the prior periods have been regrouped and / or reclassified wherever considered necessary.

8. Statement of assets and liabilities (Consolidated - Audited)		
Particulars	As at March 31,	
	2014	2013
Shareholders' funds		
Share capital	6,597.35	6,576.74
Reserves and surplus	14,316.86	10,559.64
Total Shareholders' funds	20,914.21	17,136.38
Share application money received under ESOP scheme	0.66	-
Minority interest	14.35	11.36
Non-current liabilities		
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
Total Non-current liabilities	7,359.24	9,336.05
Current liabilities		
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
Total Current liabilities	8,606.06	7,240.09
Total - EQUITY AND LIABILITIES	36,894.52	33,723.88
ASSETS		
Non-current assets		
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
	1,367.90	1,561.55
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
Total Non-current assets	29,413.29	27,179.86
Current assets		
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
Total Current assets	7,481.23	6,544.02
TOTAL ASSETS	36,894.52	33,723.88

Particulars	Segment Reporting				
	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2014	2013	2013	2014	2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue					
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
Total	8,063.43	7,993.54	7,136.79	31,270.23	28,440.18
Less: Inter segment revenue	-	-	-	-	-
Net segment revenue	8,063.43	7,993.54	7,136.79	31,270.23	28,440.18
Segment results before tax and finance costs					
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
Total	1,147.02	1,127.17	831.57	4,345.27	3,192.78
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)
Profit before tax and minority interest	600.09	532.38	403.28	2,032.80	1,591.94
Capital Employed					
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
	31,895.92	32,315.29	30,069.41	31,895.92	30,069.41

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

Mumbai, India
May 2, 2014

Rajesh Subramaniam
Managing Director and CEO

Firstsource Solutions Limited
AUDITED 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	December 31	March 31	March 31	March 31
	2014	2013	2013	2014	2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations					
Revenue from operations	2,311.46	2,433.17	2,218.92	9,541.72	9,106.37
Other operating income, net	(122.53)	(75.34)	(22.12)	(368.44)	(298.22)
Total income from operations	2,188.93	2,357.83	2,196.80	9,173.28	8,808.15
Expenses					
Employee benefit expense	1,036.61	1,200.85	1,179.33	4,607.91	4,715.57
Depreciation and amortisation	121.45	130.46	137.23	527.19	576.58
Other expenses	672.64	672.01	643.61	2,668.42	2,739.89
Total expenses	1,830.70	2,003.32	1,960.17	7,803.52	8,032.04
Profit from operations before other income and finance costs	358.23	354.51	236.63	1,369.76	776.11
Other income	64.92	51.36	124.74	152.13	925.76
Profit from ordinary activities before finance costs	423.15	405.87	361.37	1,521.89	1,701.87
Finance costs	50.02	43.04	35.76	177.19	527.98
Profit from ordinary activities before tax	373.13	362.83	325.61	1,344.70	1,173.89
Tax expense	-	-	-	-	-
Net profit from ordinary activities after tax	373.13	362.83	325.61	1,344.70	1,173.89
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	-	-	-	7,204.60	5,748.17
Earning per share (Rs.) (not annualised)					
- Basic	0.57	0.55	0.50	2.04	2.33
- Diluted	0.54	0.53	0.49	1.96	2.29
Particulars of shareholding					
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%	100%	100%	100%	100%
- 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 financials results :

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- 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.

6. Statement of Assets and liabilities (Standalone Audited)

Particulars	As at March, 31	As at March, 31
	2014	2013
<u>EQUITIES AND LIABILITIES</u>		
Shareholders' funds		
Share capital	6,597.35	6,576.74
Reserves and surplus	7,204.60	5,748.17
Total Shareholders' funds	13,801.95	12,324.91
Share application money received under ESOP scheme	0.66	-
Non-current liabilities		
Long-term borrowings	1,217.72	1,127.64
Long-term provisions	62.57	95.59
Total Non-current liabilities	1,280.29	1,223.23
Current liabilities		
Short-term borrowings	661.26	-
Trade payables	305.94	443.61
Other current liabilities	1,599.69	2,162.31
Short-term provisions	41.66	49.92
Total Current liabilities	2,608.55	2,655.84
TOTAL - EQUITY AND LIABILITIES	17,691.45	16,203.98
<u>ASSETS</u>		
Non current assets		
Fixed assets		
- Tangible assets	447.13	538.96
- Intangible assets	408.90	425.17
- Capital work-in-progress	0.50	17.60
	856.53	981.73
Non-current investments	11,731.28	11,686.07
Deferred tax assets (net)	406.64	406.64
Long-term loans and advances	951.53	868.79
Other non-current assets	899.41	650.67
Total Non-current assets	14,845.39	14,593.90
Current Assets		
Trade receivables	1,852.43	827.18
Cash and bank balances	287.79	253.32
Short-term loans and advances	399.30	249.24
Other current assets	306.54	280.34
Total Current assets	2,846.06	1,610.08
TOTAL - ASSETS	17,691.45	16,203.98

By order of the Board
For Firstsource Solutions Limited

Mumbai, India
May 2, 2014

Rajesh Subramaniam
Managing Director and CEO