

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013

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

Particulars	Quarter ended			Nine months ended		Year ended
	December 31 2013	September 30 2013	December 31 2012	December 31 2013	December 31 2012	March 31 2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations						
Revenue from operations	7,993.54	7,978.97	7,195.84	23,206.80	21,303.39	28,440.18
Other operating income, net	4.09	(71.10)	(63.77)	(110.08)	(243.33)	(254.83)
Total income from operations	7,997.63	7,907.87	7,132.07	23,096.72	21,060.06	28,185.35
Expenses						
Employee benefit expense	5,511.50	5,464.97	4,902.66	15,898.67	14,514.15	19,348.72
Depreciation and amortisation	189.71	204.64	215.18	576.01	666.44	883.98
Other expenses	1,554.86	1,547.58	1,501.54	4,565.88	4,580.70	6,041.01
Total expenses	7,256.07	7,217.19	6,619.38	21,040.56	19,761.29	26,273.71
Profit from operations before other income and finance costs	741.56	690.68	512.69	2,056.16	1,298.77	1,911.64
Other income	2.43	8.51	122.18	30.19	465.04	463.95
Profit from ordinary activities before finance costs	743.99	699.19	634.87	2,086.35	1,763.81	2,375.59
Finance costs	211.61	228.61	196.27	653.64	575.15	783.65
Profit from ordinary activities before tax	532.38	470.58	438.60	1,432.71	1,188.66	1,591.94
Tax expense	47.68	22.71	29.83	90.52	127.29	129.23
Net profit from ordinary activities after tax	484.70	447.87	408.77	1,342.19	1,061.37	1,462.71
Minority Interest	1.60	0.29	(5.92)	1.04	(2.45)	(3.21)
Net profit after tax and minority interest	483.10	447.58	414.69	1,341.15	1,063.82	1,465.92
Paid-up equity share capital (Face value of share Rs 10)	6,587.35	6,583.05	6,576.74	6,587.35	6,576.74	6,576.74
Reserves excluding revaluation reserve	-	-	-	13,831.62	10,116.09	10,559.64
Earning Per Share (Rs.) : (Not Annualized)						
- Basic	0.73	0.68	0.83	2.04	2.35	2.91
- Diluted	0.71	0.67	0.83	1.98	2.35	2.82
Particulars of shareholding						
Public shareholding						
- Number of shares of Rs 10	284,758,328	284,328,328	332,125,243	284,758,328	332,125,243	283,697,078
- Percentage of shareholding	43.23%	43.19%	50.50%	43.23%	50.50%	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	325,548,508	373,976,673	325,548,508	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)	56.77%	56.81%	49.50%	56.77%	49.50%	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 January 31, 2014. The standalone financial results for the quarter and nine months ended December 31, 2013 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 December 31,		Nine months ended December 31,		Year ended March 31,
	2013	2012	2013	2012	2013
Total income from operations	2,357.83	2,226.70	6,984.35	6,611.35	8,808.15
Net profit before taxation	362.83	258.70	971.57	848.28	1,173.89
Net profit after taxation	362.83	305.36	971.57	894.94	1,359.65

- During the quarter, 430,000 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- During the quarter, 17 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.

Segment Reporting						
Particulars	Quarter ended			Nine months ended		Year ended
	December 31 2013	September 30 2013	December 31 2012	December 31 2013	December 31 2012	March 31 2013
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) UK	2,916.02	2,857.74	2,516.39	8,266.95	7,314.61	9,724.53
b) USA and Canada	3,728.58	3,657.25	3,272.66	10,699.60	9,844.38	13,133.47
c) India	666.52	726.76	770.10	2,151.65	2,184.56	2,993.17
d) Rest of the world	682.42	737.22	636.69	2,088.60	1,959.84	2,589.01
Total	7,993.54	7,978.97	7,195.84	23,206.80	21,303.39	28,440.18
Less: Inter segment revenue	-	-	-	-	-	-
Net segment revenue	7,993.54	7,978.97	7,195.84	23,206.80	21,303.39	28,440.18
Segment results before tax and finance costs						
a) UK	534.97	508.84	224.66	1,324.86	799.54	1,007.35
b) USA and Canada	428.38	414.46	530.54	1,334.89	1,316.23	1,772.66
c) India	129.97	73.12	57.07	288.16	35.01	119.63
d) Rest of the World	33.85	76.13	53.53	250.34	210.43	293.14
Total	1,127.17	1,072.55	865.80	3,198.25	2,361.21	3,192.78
i) Finance costs	(211.61)	(228.61)	(196.27)	(653.64)	(575.15)	(783.65)
ii) Other un-allocable expenditure net of un-allocable Income	(383.18)	(373.36)	(230.93)	(1,111.90)	(597.40)	(817.19)
Profit before tax and minority interest	532.38	470.58	438.61	1,432.71	1,188.66	1,591.94
Capital Employed						
a) UK	1,644.49	2,184.49	1,834.21	1,644.49	1,834.21	1,911.96
b) USA and Canada	28,383.99	28,715.26	25,471.30	28,383.99	25,471.30	25,145.84
c) India	428.50	473.03	553.88	428.50	553.88	578.63
d) Rest of the World	568.87	619.44	576.32	568.87	576.32	628.01
e) Unallocated	1,289.44	514.87	1,418.08	1,289.44	1,418.08	1,804.97
Total	32,315.29	32,507.09	29,853.79	32,315.29	29,853.79	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
January 31, 2014

Rajesh Subramaniam
Managing Director and CEO