

Notice

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Firstsource Solutions Limited will be held on Tuesday, July 26, 2016 at 3.30 p.m. at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended March 31, 2016 alongwith the reports of the Board of Directors and the Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company and its subsidiaries for the financial year ended March 31, 2016 alongwith the report of the Auditors thereon.
2. To appoint a Director in place of **Mr. Shashwat Goenka** (DIN 03486121), who retires by rotation and being eligible, offers himself for re-appointment.

3. RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, pursuant to the resolution passed by the members of the Company at the fourteenth Annual General Meeting held on August 3, 2015, the appointment of **M/s. B S R & Co. LLP, Chartered Accountants**, bearing Registration Number: 101248W, as the Statutory Auditors of the Company to hold office until the conclusion of the Sixteenth Annual General Meeting of the Company to be held in the year 2017, be and is hereby ratified at such remuneration and out-of-pocket expenses, as may be decided by the Audit Committee of the Board of Directors of the Company.”

SPECIAL BUSINESS

4. RE-APPOINTMENT OF MR. RAJESH SUBRAMANIAM AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF THE COMPANY

To consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of the Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification or re-enactment thereof), subject to the approval of the Central Government, if required, and such other approvals, as may be necessary, the Company hereby approves the re-appointment of **Mr. Rajesh Subramaniam** (DIN 02617781) as the Managing Director and Chief Executive Officer (‘MD & CEO’) of the Company for a period of three years from August 1, 2016 to July 31, 2019 on the terms, conditions and remuneration set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment).

RESOLVED FURTHER THAT the aggregate amount of remuneration payable to Mr. Rajesh Subramaniam, as MD & CEO, by the Company in a financial year, will be subject to the ceiling laid down in Section 197 read with Schedule V to the Act, unless approved otherwise by the Central Government.

RESOLVED FURTHER THAT Mr. Rajesh Subramaniam, during his aforesaid tenure, subject to the provisions of the Act and Articles of Association of the Company, shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the ‘Board’ which term shall include any Committee of the Board), be and is hereby authorised to determine/ increase/ alter/ modify/ vary from time to time, the terms of remuneration of Mr. Rajesh Subramaniam, MD & CEO, within the ceiling limit as approved by the members herein.

RESOLVED FURTHER THAT pursuant to applicable provisions, if any, of the Act and subject to the approval of the Central Government, if required, the remuneration as determined by the Board for a financial year, be paid as minimum remuneration to Mr. Rajesh Subramaniam, as MD & CEO, in the event of loss or inadequacy of profits in that financial year, notwithstanding that such remuneration exceeds the ceiling limit for minimum remuneration laid down in Section 197 read with Schedule V to the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute

all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to Nomination and Remuneration Committee of the Board to give effect to the aforesaid resolution.”

By Order of the Board of Directors

Sanjay Gupta

Senior VP - Corporate Affairs and Company Secretary
FCS No - 7229

June 21, 2016

Firstsource Solutions Limited

CIN: L64202MH2001PLC134147

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www.firstsource.com

Email:complianceofficer@firstsource.com

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend the Annual General Meeting (“AGM”) are requested to send a certified copy of the appropriate resolution/ authority, as applicable, authorising their representatives to attend and vote on their behalf at the AGM.
3. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, July 19, 2016 to Tuesday, July 26, 2016 (both days inclusive).
4. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of the AGM.
5. Members are requested to bring their duly filled Attendance Slip alongwith the copy of the Annual Report at the AGM.

6. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members holding shares in electronic (dematerialised) form are advised to send the requests for change of address, bank particulars, bank mandate, residential status or requests for transmission of shares etc. to their Depository Participants. The Company or its Registrars can not act on any such requests received directly from the members holding shares in electronic form.
8. Pursuant to the requirement of Corporate Governance Code under the Listing Regulations, 2015, the information about the Directors proposed to be appointed/ re-appointed at the AGM is given in the Annexure to this Notice.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to write to the Company atleast 7 days before the AGM to enable the Company to keep the information ready at the AGM.

The Notice of the AGM along with the Annual Report for FY 2015-16 is being sent by electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. To support the 'Green Initiative', the Members who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are requested to register their email addresses with the Registrar & Transfer Agent of the Company.

10. Voting through Electronic means:
 - (a) In compliance with the provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the members, the facility to exercise their right to vote on all resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will

be provided by Central Depository Services (India) Limited (CDSL).

- (b) The facility for voting through ballot paper or e-voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper or e-voting.
- (c) The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (d) The remote e-voting period will commence on Friday, July 22, 2016 at 10.00 a.m. and will end on Monday, July 25, 2016 at 5.00 p.m. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of July 19, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (e) The Company has appointed Ms. Amrita Nautiyal, a Company Secretary in whole time practice (email: firstsource.scrutinizer@gmail.com), to act as the Scrutinizer for conducting the electronic voting process and voting at the AGM in a fair and transparent manner.
- (f) The process and manner for remote e-voting are as under:
 - i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii) Click on Shareholders.
 - iii) Now Enter your User ID.
 - a. For CDSL: 16 digits beneficiary ID.
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv) Next enter the Image Verification as displayed and Click on Login.
 - v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and 8 digit of the sequence number in their PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the user id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- vii) After entering these details appropriately, click on "SUBMIT" tab
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN of Firstsource Solutions Limited which is 160608002.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against each resolution the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non – Individual Shareholders and Custodians:-
 Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- xviii) Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are also required to send scanned copy (PDF/ JPG format) of the relevant Board Resolution/ Authority Letter etc. together with the attested specimen signature(s) of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer Ms. Amrita Nautiyal through email at: firstsource.scrutinizer@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com
- xix) Members have an option to vote either through e-voting or casting a vote at the Meeting. If a Member has opted for e-voting, then he should not cast his vote at the Meeting also and vice-versa. However, in case, a Member has cast his vote at the Meeting and also by e-voting, then voting done through e-voting shall prevail and voting done at the Meeting shall be treated as invalid.
- xx) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of July 19, 2016.
- xxi) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 19, 2016, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or Issuer/RTA.
- xxii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- xxiii) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of “Ballot Paper or e-voting” for all those members who are present at the AGM but have not cast their votes by availing the remote evoting facility.
- xxiv) The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
- xxv) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company viz: www.firstsource.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorised by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Number 4

Mr. Rajesh Subramaniam (DIN: 0261778) was appointed as Deputy Managing Director & CFO of the Company w.e.f. August 1, 2011 by the members at the Annual General Meeting held on August 3, 2011. Subsequently, on resignation of Mr. Alexander Matthew Vallance, the Managing Director & CEO (MD & CEO) of the Company, Mr. Rajesh Subramaniam was appointed as MD & CEO of the Company from May 16, 2012 to July 31, 2016. His appointment as MD & CEO together with the terms, conditions and remuneration were approved by the members of the Company at the Annual General Meeting held on July 31, 2012. As per Section 196 read with Schedule V of the Companies Act, 2013, a Company shall appoint or re-appoint the Managing Director with the approval of its members. Hence, the approval of the members is sought for the re-appointment of Mr. Rajesh Subramaniam as the MD & CEO of the Company for a period of 3 years from August 1, 2016 to July 31, 2019.

Mr. Rajesh Subramaniam has a deep understanding of Company's business, industry and customers and has a rich and varied experience in Corporate Finance, Strategy and operations. As the MD & CEO of Company, he is responsible for implementing a corporate strategy that carefully balances strong expense control and investments to drive the growth of the Company's core businesses. During his tenure, the turnover and profits of the Company have increased steadily and the Company has scaled down its debts and has won various contracts, awards and accolades.

Brief resume of Mr. Rajesh Subramaniam is given in the Annexure to this Notice.

During the financial year 2015-16, a total remuneration of Rs. 42,469,065 (exclusive of taxable value of Stock Options exercised during the year) was paid to Mr. Rajesh Subramaniam.

The details of the remuneration, terms and conditions of appointment of Mr. Rajesh Subramaniam as the MD & CEO of the Company (hereinafter referred to as the "MD & CEO"), as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company, during the period of 3 years from August 1, 2016 to July 31, 2019 are as under:

Salary and fixed Allowances:

An amount in the range of ₹ 15 lacs to ₹ 25 lacs per month.

Perquisites

The MD & CEO will also be entitled to perquisites (evaluated as per Income-Tax Rules, wherever applicable, and at actual

cost to the Company in other cases) like rent free furnished/ unfurnished residential accommodation leased/rented by the Company together with benefit of gas, electricity, water, repairs & maintenance, club fees, personal insurance, use of car, telephone at residence or reimbursement of expenses in lieu thereof, medical reimbursement, leave and leave travel concession, provident fund, superannuation fund, gratuity and other benefits, in accordance with the scheme(s) and rule(s) applicable to the senior executives of the Company from time to time.

Stock Options:

Grant of Stock Options to the MD & CEO as may be decided by the Nomination & Remuneration Committee of the Board, subject to such approvals as may be necessary.

Variable Compensation including Performance Pay and Incentives:

In addition to above salary and perquisites, the MD & CEO will also be entitled to variable compensation including performance pay/ Bonus and incentives based on individual and Company performance and such performance parameters as may be laid down by the Board of Directors (hereinafter referred to as the 'Board' which term shall include any Committee of the Board) and subject to such other approvals as may be necessary.

The remuneration to the MD & CEO, to be paid by the Company, in a financial year, shall be within the limits prescribed under Section 197 read with Schedule V to the Act, unless otherwise approved by the Central Government.

Further, the remuneration as determined by the Board for a financial year, shall be paid as minimum remuneration to the MD & CEO, in the event of loss or inadequacy of profits in that financial year, subject to the approval of the Central Government, if required, notwithstanding the ceiling limit for remuneration laid down in Section 197 read with Schedule V to the Act.

The Board may determine/ increase/ alter/ modify/ vary from time to time the terms of remuneration of the MD & CEO, within the limits as approved by members hereto.

The MD & CEO shall not be entitled to any sitting fee for attending meetings of the Board and/ or Committee(s) of Board of Directors. Subject to the provisions of the Act and Articles of Association of the Company, he shall not be liable to retire by rotation.

The resolution at Item No. 4 of the notice and this explanatory statement may be treated as a memorandum setting out the terms of appointment of the MD & CEO pursuant to the provisions of Section 190 of the Act.

The Board recommends the Resolution set out at Item No. 4 of the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives, except Mr. Rajesh Subramaniam is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

By Order of the Board of Directors

Sanjay Gupta

Senior VP - Corporate Affairs and Company Secretary
FCS No.: 7229

June 21, 2016

Firstsource Solutions Limited

CIN: L64202MH2001PLC134147

Registered Office:

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ANNEXURE TO THE NOTICE

RESUMES OF PERSONS PROPOSED TO BE RE-APPOINTED AS DIRECTORS AT THE ENSUING ANNUAL GENERAL MEETING

Mr. Shashwat Goenka (DIN 03486121), 26 years, is graduate from the Wharton School, University of Pennsylvania with a Bachelor of Science in Economics, specializing in Finance, Marketing and Management. His work experience includes a stint in brand management at Nestle and corporate finance at KPMG. Currently, he is Sector Head of RP-Sanjiv Goenka Group's Spencer's Retail Limited. He was appointed as a Director w.e.f. December 5, 2012 on the Board of Directors of the Company.

Mr. Shashwat Goenka is a Director on the Boards of various companies namely Spencer International Hotels Ltd, Phillips Carbon Black Limited, Retailers Association of India & Indian Chamber of Commerce, Kolkata. He is Chairman of the Corporate Social Responsibility Committee & Strategy Committee of the Board of the Company. He is also a member of Corporate Social Responsibility Committee of the Board of Phillips Carbon Black Limited. He attended 3 Board Meetings during the Financial Year 2015-16.

Mr. Shashwat Goenka does not hold any shares or stock options of the Company. He is son of Mr. Sanjiv Goenka, Chairman of the Company and not related to any other Director of the Company.

Mr. Rajesh Subramaniam (DIN 02617781), 44 years, has done MBA from Richmond College, London and Graduation in Commerce from Madras University. He has close to 21 years of work experience. He joined the Company in August, 2011 as Deputy Managing Director & CFO. Subsequently, on resignation of Mr. Alexander Matthew Vallance, the Managing Director & CEO (MD & CEO) of the Company, he was appointed as MD & CEO of the Company in May, 2012. Prior to that, he was the Managing Director of Walden India Advisors Private Limited (Walden), responsible for leading all investment initiatives and managing portfolio companies. Before joining Walden in 2008, he was the CFO of the Company from 2006 to 2008 and was instrumental in building the Company to its IPO. Prior to his CFO role in the Company, he was responsible for Strategy, M&A and Corporate Development from 2002 to 2006. His work experience includes working with organisations such as ICICI Bank, KPMG, E&Y, Pioneer ITI AMC (now part of Franklin Templeton) and GIV Venture Partners.

Mr. Rajesh Subramaniam is a Director on the Board of Firstsource Process Management Services Limited, Firstsource Group USA Inc., Firstsource Solutions UK Limited (wholly owned subsidiaries of the Company) and Nanobi Data and Analytics Private Limited. He is also a member of Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Investment Committee & Strategy Committee of the Board of the Company. He attended 4 Board Meetings during the Financial Year 2015-16.

Mr. Rajesh Subramaniam holds 1,750,000 shares and 7,650,000 Stock Options in the Company. He is not related to any other Director of the Company.