

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Auditor's Report on Quarterly Consolidated Financial Results of Firstsource Solutions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Firstsource Solutions Limited

We have audited the consolidated quarterly financial results of Firstsource Solutions Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the quarter ended 30 June 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These consolidated quarterly financial results have been prepared on the basis of the interim condensed consolidated financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated quarterly financial results based on our audit of such interim condensed consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) - Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

The consolidated quarterly financial results includes the Group's share of profit of Rs. 0.01 million for the quarter ended 30 June 2017, as considered in the consolidated quarterly financial results, in respect of an associate, based on its unaudited interim financial statements which are certified by the Management. Our report on the consolidated quarterly financial results is not modified in respect of our reliance on the financial information certified by the Management.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these consolidated quarterly financial results:

- (i) include the quarterly financial results of the following entities:

Name of the Entity	Relationship
Firstsource Solutions Limited	Holding Company
Firstsource Group USA, Inc.	Wholly owned Subsidiary
Firstsource Solutions UK Limited	Wholly owned Subsidiary
Firstsource Solutions S.A.	Wholly owned Subsidiary

Auditor's Report on Quarterly Consolidated Financial Results of Firstsource Solutions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

Firstsource Solutions Limited

- (i) include the quarterly financial results of the following entities (Continued):

Name of the Entity	Relationship
Firstsource Advantage LLC	Wholly owned Subsidiary
Firstsource Business Process Services, LLC	Wholly owned Subsidiary
Firstsource Solutions USA LLC	Wholly owned Subsidiary
Firstsource Transaction Services LLC	Wholly owned Subsidiary
Firstsource Dialog Solutions (Private) Limited	Subsidiary
Firstsource Process Management Services Limited (formerly known as 'Anunta Tech Infrastructure Services Limited')	Wholly owned Subsidiary
Firstsource BPO Ireland Limited	Wholly owned Subsidiary
One Advantage LLC	Wholly owned Subsidiary
MedAssist Holding LLC	Wholly owned Subsidiary
ISGN Solutions, Inc.	Wholly owned Subsidiary
ISGN Fulfilment Services, Inc.	Wholly owned Subsidiary
ISGN Fulfillment Agency, LLC	Wholly owned Subsidiary
Nanobi Data and Analytics Private Limited	Associate

- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (iii) give a true and fair view of the consolidated net profit (consolidated financial performance including other comprehensive income) and other consolidated financial information for the quarter ended 30 June 2017.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Rajesh Mehra

Partner

Membership No: 103145

Mumbai
8 August 2017

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

Tel: + 91 22 66660888 Fax: + 91 22 6666 0887 web: www.firstsource.com, email: complianceofficer@firstsource.com

Particulars	Quarter ended		Year ended	
	June 30	March 31	June 30	March 31
	2017	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)
Income				
Income from operations	8,506.65	8,643.69	8,752.53	34,569.11
Other operating income, net	270.81	279.33	182.91	986.99
Other income	49.50	(4.50)	18.58	32.05
Total income	8,826.96	8,918.52	8,954.02	35,588.15
Expenses				
Employee benefits expenses	5,941.54	6,166.64	5,817.08	23,834.37
Depreciation and amortisation	152.85	110.44	162.99	589.61
Finance costs	109.26	114.16	131.56	453.16
Other expenses	1,829.79	1,766.34	1,925.97	7,341.83
Total expenses	8,033.44	8,157.58	8,037.60	32,218.97
Profit from operations	793.52	760.94	916.42	3,369.18
Share in net profit / (loss) of associate	0.01	(0.01)	-	(0.01)
Profit from ordinary activities before tax	793.53	760.93	916.42	3,369.17
Tax expense				
Income tax	104.76	99.83	124.45	454.36
Deferred tax	34.76	12.12	58.24	122.43
Net profit from ordinary activities after tax	654.01	648.98	733.73	2,792.38
Other comprehensive income, net of taxes	(94.57)	(381.19)	407.41	(480.07)
Total comprehensive income	559.44	267.79	1,141.14	2,312.31
Profit attributable to:				
Owners of the equity	653.97	653.68	733.61	2,799.96
Non - controlling interest	0.04	(4.70)	0.12	(7.58)
Total comprehensive income attributable to:	654.01	648.98	733.73	2,792.38
Owners of the equity	559.52	268.42	1,138.16	2,312.69
Non - controlling interest	(0.08)	(0.63)	2.98	(0.38)
Total comprehensive income attributable to:	559.44	267.79	1,141.14	2,312.31
Paid-up equity share capital (Face value per share of Rs 10)	6,818.62	6,813.08	6,748.95	6,813.08
Earning per share (Rs) : (Face value per share of Rs 10)				
-Basic	0.96	0.96	1.09	4.14
-Diluted	0.95	0.95	1.05	4.08

Notes to financials results :

1. The audited condensed consolidated financial statements for the quarter ended June 30, 2017 have been taken on record by the Board of Directors at its meeting held on August 8, 2017. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited condensed consolidated financial statements. These financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. During the quarter ended June 30, 2017, 553,525 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Standalone Information (Audited) under Ind AS

Particulars	Quarter ended		Year ended	
	June 30	March 31	June 30	March 31
	2017	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)
Total income	2,482.98	2,426.43	2,270.09	9,548.51
Net profit before taxation	588.08	646.93	460.18	2,187.36
Net profit after taxation and before other comprehensive income	505.57	546.63	387.16	1,884.59



4. Segment Reporting - Consolidated audited

Particulars	Quarter ended			Year ended
	June 30	March 31	June 30	March 31
	2017	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue				
a) Customer management	4,208.51	4,051.23	4,503.07	17,295.33
b) Healthcare	2,882.83	3,034.85	2,814.90	11,425.12
c) Collections	889.74	1,057.33	931.42	3,857.76
d) Domestic Business (India)	525.57	500.28	503.14	1,990.90
Total	8,506.65	8,643.69	8,752.53	34,569.11
Less: Inter-segment revenue	-	-	-	-
Net segment revenue	8,506.65	8,643.69	8,752.53	34,569.11
Segment results before tax and finance costs				
a) Customer management	602.07	690.93	786.40	3,185.84
b) Healthcare	473.03	479.91	415.13	1,876.45
c) Collections	76.55	159.40	115.95	495.69
d) Domestic Business (India)	32.95	33.72	47.77	136.05
Total	1,184.60	1,363.96	1,365.25	5,494.03
i) Finance costs	(109.26)	(114.16)	(131.56)	(453.18)
ii) Other unallocable expenditure net of unallocable income	(281.82)	(488.86)	(317.27)	(1,671.69)
iii) Share in net profit / (loss) of associate	0.01	(0.01)	-	(0.01)
Profit before tax and other comprehensive income	793.53	760.93	916.42	3,369.17
Segment assets				
a) Customer management	5,525.13	4,860.36	5,504.14	4,860.36
b) Healthcare	17,398.51	17,253.82	18,055.51	17,253.82
c) Collections	3,861.97	3,850.46	3,568.48	3,850.46
d) Domestic Business (India)	591.89	487.37	809.07	487.37
e) Unallocable	8,043.60	8,740.96	5,703.41	8,740.96
	35,421.10	35,192.97	33,640.61	35,192.97
Segment liabilities				
a) Customer management	3,801.97	2,876.25	3,278.93	2,876.25
b) Healthcare	5,545.17	6,380.68	6,857.52	6,380.68
c) Collections	150.21	217.33	215.09	217.33
d) Domestic Business (India)	544.52	460.84	250.10	460.84
e) Unallocable	4,502.57	4,986.09	3,938.38	4,986.09
	14,544.44	14,901.19	14,540.02	14,901.19

Note on segment information
Business segments

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented into four key business segments comprising customer management, healthcare, collections and domestic business in India. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

5. Subsequent to the quarter end, the Company has signed a definitive agreement on 7 July 2017 to sell certain India domestic contracts, subject to customers approvals, which are awaited.

By order of the Board
For Firstsource Solutions Limited

Rajesh Subramaniam
Managing Director and CEO

Mumbai, India
August 8, 2017



B S R & Co. LLP

Chartered Accountants

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Auditor's Report on Quarterly Standalone Financial Results of Firstsource Solutions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Firstsource Solutions Limited

We have audited the quarterly standalone financial results of Firstsource Solutions Limited ('the Company') for the quarter ended 30 June 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These quarterly standalone financial results have been prepared on the basis of the interim condensed standalone financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim condensed standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) - Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, and other accounting principles generally accepted in India.

We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (ii) give a true and fair view of the standalone net profit (financial performance including other comprehensive income) and other financial information for the quarter ended 30 June 2017.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Rajesh Mehra
Partner

Membership No: 103145

Mumbai
8 August 2017

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

Tel: + 91 22 66660888 Fax: + 91 22 6666 0887 web: www.firstsource.com, email: complianceofficer@firstsource.com


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

Particulars	Quarter ended		Year ended	
	June 30	March 31	June 30	March 31
	2017	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)
Income				
Income from operations	2,175.06	2,094.44	2,043.21	8,408.65
Other operating income, net	260.59	306.31	175.86	992.00
Other income	47.33	25.68	51.02	147.86
Total income	2,482.98	2,426.43	2,270.09	9,548.51
Expenses				
Employee benefits expenses	1,206.09	1,128.64	1,094.01	4,579.96
Depreciation and amortisation	50.08	39.18	48.85	190.32
Finance costs	19.38	(15.07)	45.46	87.75
Other expenses	619.35	626.75	621.59	2,523.12
Total expenses	1,894.90	1,779.50	1,809.91	7,381.15
Profit from operations	588.08	646.93	460.18	2,187.36
Tax expense				
Income tax	78.31	76.04	68.51	258.36
Deferred tax	4.20	24.26	4.51	44.41
Net profit from ordinary activities after tax	505.57	546.63	387.16	1,884.59
Other comprehensive income, net of taxes	(174.08)	37.11	410.03	180.48
Total comprehensive income	331.49	583.74	797.19	2,065.07
Paid-up equity share capital (Face value per share of Rs 10)	6,818.62	6,813.08	6,748.95	6,813.08
Earning per share (Rs): (Face value per share of Rs 10)				
-Basic	0.74	0.80	0.57	2.79
-Diluted	0.74	0.80	0.56	2.75

Notes to financials results :

- The audited condensed standalone financial statements for the quarter ended June 30, 2017 have been taken on record by the Board of Directors at its meeting held on August 8, 2017. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited standalone financial statements. These financial statements are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- During the quarter ended June 30, 2017, 553,525 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- As per Ind AS 108 - Operating Segment, if a financial report contains both condensed consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the condensed consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial results.
- Subsequent to the quarter end, the Company has signed a definitive agreement on 7 July 2017 to sell certain India domestic contracts, subject to customers approvals, which are awaited.

By order of the Board
For Firstsource Solutions Limited


Rajesh Surramaniam
Managing Director and CEO

Mumbai, India
August 8, 2017

