

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 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			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2017	2017	2016	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Income from operations	8,463.75	8,506.65	8,572.11	16,970.40	17,324.64	34,569.11
Other operating income, net	265.94	270.81	271.44	536.75	454.35	986.99
Other income	4.22	49.50	3.91	53.72	22.49	32.05
Total income	8,733.91	8,826.96	8,847.46	17,560.87	17,801.48	35,588.15
Expenses						
Employee benefits expenses	5,941.49	5,941.54	5,949.92	11,883.03	11,767.00	23,834.37
Depreciation and amortisation	162.31	152.85	160.47	315.16	323.46	589.61
Finance costs	101.97	109.26	108.62	211.23	240.18	453.16
Other expenses	1,691.48	1,829.79	1,767.86	3,521.27	3,693.83	7,341.83
Total expenses	7,897.25	8,033.44	7,986.87	15,930.69	16,024.47	32,218.97
Profit from ordinary activities before tax and share in net (loss) of associate	836.66	793.52	860.59	1,630.18	1,777.01	3,369.18
Share in net profit / (loss) of associate	(0.02)	0.01	-	(0.01)	-	(0.01)
Profit from ordinary activities before tax	836.64	793.53	860.59	1,630.17	1,777.01	3,369.17
Tax expense						
Current tax	110.01	104.76	113.35	214.77	237.80	454.36
Deferred tax	39.09	34.76	35.24	73.85	93.48	122.43
Net profit from ordinary activities after tax	687.54	654.01	712.00	1,341.55	1,445.73	2,792.38
Other comprehensive income, net of taxes	53.16	(94.57)	(157.42)	(41.41)	(188.84)	(480.07)
Total comprehensive income	740.70	559.44	554.58	1,300.14	1,256.89	2,312.31
Profit attributable to:						
Owners of the equity	687.50	653.97	712.61	1,341.47	1,446.22	2,799.96
Non - controlling interest	0.04	0.04	(0.61)	0.08	(0.49)	(7.58)
Total comprehensive income attributable to:	687.54	654.01	712.00	1,341.55	1,445.73	2,792.38
Total comprehensive income attributable to:						
Owners of the equity	740.47	559.52	555.91	1,299.99	1,256.60	2,312.69
Non - controlling interest	0.23	(0.08)	(1.33)	0.15	0.29	(0.38)
	740.70	559.44	554.58	1,300.14	1,256.89	2,312.31
Paid-up equity share capital (Face value per share of Rs 10)	6,822.41	6,818.62	6,756.50	6,822.41	6,756.50	6,813.08
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.01	0.96	1.05	1.97	2.14	4.14
-Diluted	1.00	0.95	1.04	1.95	2.11	4.08

Notes to financials results :

1. The audited interim condensed consolidated financial statements for the quarter and six months ended September 30, 2017 have been taken on record by the Board of Directors at its meeting held on November 1, 2017. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited interim 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 six months ended September 30, 2017, 932,650 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. During the quarter ended September 30, 2017, the Company has concluded the sale of certain India domestic contracts to Vertex Customer Management Private Limited as per the definitive agreement signed dated July 7, 2017 for a consideration of Rs 150 million, resulting in a net gain of Rs 8 million.

4. Standalone Information (Audited) under Ind AS

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2017	2017	2016	2017	2016	2017
Total income	2,170.83	2,482.98	2,317.62	4,653.81	4,587.71	9,548.51
Net profit before taxation	510.31	588.08	481.15	1,098.39	941.33	2,187.36
Net profit after taxation and before other comprehensive income	438.53	505.57	424.50	944.10	811.66	1,884.59

5. Statement of assets and liabilities (Consolidated - Audited)		
Particulars	As at	
	September 30	March 31
	2017	2017
ASSETS		
Non-current assets		
Property, plant and equipment	1,000.96	878.05
Capital work-in-progress	5.43	42.85
Goodwill on consolidation	19,347.24	19,223.62
Intangible assets	580.35	576.48
Financial assets		
Investments	105.22	105.84
Other financial assets	371.15	714.30
Deferred tax assets	1,885.06	1,608.95
Income tax assets (net)	632.63	452.97
Others assets	1,664.51	1,309.07
Total non-current assets	25,592.55	24,912.13
Current assets		
Financial assets		
Investments	847.50	1,522.67
Trade receivables	3,968.94	3,041.27
Cash and cash equivalents	487.36	387.31
Other financial assets	2,404.77	2,284.21
Other assets	663.40	589.73
Total current assets	8,371.97	7,825.19
Total assets	33,964.52	32,737.32
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,822.41	6,813.08
Other equity	14,805.67	13,466.95
Total equity attributable to equity holders of the Company	21,628.08	20,280.03
Non - controlling interest	11.90	11.75
Total equity	21,639.98	20,291.78
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	2,437.39	3,579.94
Provisions for employee benefits	71.49	95.22
Deferred tax liability	468.65	418.37
Total non-current liabilities	2,977.53	4,093.53
Current liabilities		
Financial liabilities		
Short-term and other borrowings	6,167.32	5,644.71
Trade and other payables	1,204.41	993.77
Other financial liabilities	351.31	211.57
Other liabilities	1,319.49	1,226.84
Provisions for employee benefits	304.48	275.12
Total current liabilities	9,347.01	8,352.01
Total equity and liabilities	33,964.52	32,737.32

6. Segment Reporting - Consolidated audited						
Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2017	2017	2016	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Customer management	4,544.44	4,208.51	4,397.83	8,752.95	8,900.90	17,295.33
b) Healthcare	2,844.18	2,882.83	2,733.41	5,727.01	5,548.31	11,425.12
c) Collections	853.26	889.74	936.88	1,743.00	1,868.30	3,857.76
d) Domestic Business (India)	221.87	525.57	503.99	747.44	1,007.13	1,990.90
Total	8,463.75	8,506.65	8,572.11	16,970.40	17,324.64	34,569.11
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	8,463.75	8,506.65	8,572.11	16,970.40	17,324.64	34,569.11
Segment results before tax and finance costs						
a) Customer management	682.59	602.07	882.61	1,284.66	1,669.01	3,185.84
b) Healthcare	462.74	473.03	366.34	935.77	781.47	1,676.45
c) Collections	52.43	76.55	113.39	128.98	229.34	495.69
d) Domestic Business (India)	11.24	32.95	26.37	44.19	74.13	136.05
Total	1,209.00	1,184.60	1,388.71	2,393.60	2,753.95	5,494.03
i) Finance costs	(101.97)	(109.26)	(108.62)	(211.23)	(240.18)	(453.16)
ii) Other unallocable expenditure net of unallocable income	(270.37)	(281.82)	(419.49)	(552.19)	(736.76)	(1,671.69)
iii) Share in net profit / (loss) of associate	(0.02)	0.01	-	(0.01)	-	(0.01)
Profit before tax and other comprehensive income	836.64	793.53	860.59	1,630.17	1,777.01	3,369.17
Segment assets						
a) Customer management	6,459.05	5,525.13	5,203.06	6,459.05	5,203.06	4,860.36
b) Healthcare	17,852.71	17,398.51	17,744.39	17,852.71	17,744.39	17,253.82
c) Collections	3,950.26	3,861.97	3,615.79	3,950.26	3,615.79	3,850.46
d) Domestic Business (India)	276.07	591.89	469.95	276.07	469.95	487.37
e) Unallocable	5,426.43	5,672.60	4,626.58	5,426.43	4,626.58	6,285.31
Total	33,964.52	33,050.10	31,659.77	33,964.52	31,659.77	32,737.32
Segment liabilities						
a) Customer management	4,704.67	3,801.97	3,099.98	4,704.67	3,099.98	2,876.25
b) Healthcare	5,103.84	5,545.17	6,093.27	5,103.84	6,093.27	6,380.68
c) Collections	166.86	150.21	191.78	166.86	191.78	217.33
d) Domestic Business (India)	584.99	544.52	661.06	584.99	661.06	460.84
e) Unallocable	1,764.18	2,131.57	2,367.29	1,764.18	2,367.29	2,510.44
Total	12,324.54	12,173.44	12,413.38	12,324.54	12,413.38	12,445.54
Note on segment information						
<i>Business segments</i>						
Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Marker 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.						
By order of the Board						
For Firstsource Solutions Limited						
Rajesh Subramaniam						
Managing Director and CEO						
Kolkata, India						
November 1, 2017						

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 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			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2017	2017	2016	2017	2016	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Income from operations	1,886.55	2,175.06	2,045.94	4,061.61	4,089.15	8,408.65
Other operating income, net	236.72	260.59	266.78	497.31	442.64	992.00
Other income	47.56	47.33	4.90	94.89	55.92	147.86
Total income	2,170.83	2,482.98	2,317.62	4,653.81	4,587.71	9,548.51
Expenses						
Employee benefits expenses	1,053.32	1,206.09	1,167.39	2,259.41	2,261.40	4,579.96
Depreciation and amortisation	54.10	50.08	50.69	104.18	99.54	190.32
Finance costs	22.11	19.38	(2.11)	41.49	43.35	67.75
Other expenses	530.99	619.35	620.50	1,150.34	1,242.09	2,523.12
Total expenses	1,660.52	1,894.90	1,836.47	3,555.42	3,646.38	7,361.15
Profit from operations	510.31	588.08	481.15	1,098.39	941.33	2,187.36
Tax expense						
Current tax	57.95	78.31	47.51	136.26	116.02	258.36
Deferred tax	13.83	4.20	9.14	18.03	13.65	44.41
Net profit from ordinary activities after tax	438.53	505.57	424.50	944.10	811.66	1,884.59
Other comprehensive income, net of taxes	(189.85)	(174.08)	116.01	(363.93)	87.72	180.48
Total comprehensive income	248.68	331.49	540.51	580.17	899.38	2,065.07
Paid-up equity share capital (Face value per share of Rs 10)	6,822.41	6,818.62	6,756.50	6,822.41	6,756.50	6,813.08
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	0.64	0.74	0.63	1.38	1.20	2.79
-Diluted	0.64	0.74	0.62	1.37	1.18	2.75

Notes to financials results :

- The audited interim condensed standalone financial statements for the quarter and six months ended September 30, 2017 have been taken on record by the Board of Directors at its meeting held on November 1, 2017. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited interim condensed 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 six months ended September 30, 2017, 932,650 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.
- During the quarter ended September 30, 2017, the Company has concluded the sale of certain India domestic contracts to Vertex Customer Management Private Limited as per the definitive agreement signed dated July 7, 2017 for a consideration of Rs 150 million, resulting in a net gain of Rs 8 million.

5. Statement of Assets and liabilities (Audited)		
Particulars	As at	
	September, 30	March, 31
	2017	2017
ASSETS		
Non-current assets		
Property, plant and equipment	277.37	292.87
Capital work-in-progress	5.27	16.18
Goodwill	40.14	40.14
Intangible assets	244.62	221.71
Financial assets		
Investments	11,970.96	11,954.74
Other financial assets	310.02	642.70
Other assets	136.63	134.77
Deferred tax assets	1,870.42	1,596.53
Income tax assets (net)	702.62	604.78
Total non-current assets	15,558.05	15,504.42
Current assets		
Inventories		
Financial assets		
Investments	820.00	1,495.17
Trade receivables	4,657.02	3,719.34
Cash and cash equivalents	303.65	157.06
Other financial assets	826.25	1,117.16
Other assets	417.99	687.57
Total current assets	7,024.91	7,176.30
Total assets	22,582.96	22,680.72
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,822.41	6,813.08
Other equity	13,799.82	13,180.92
Non - controlling interest		
Total equity	20,622.23	19,994.00
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	454.76	676.60
Provisions for employee benefits	71.49	95.22
Total non-current liabilities	526.25	771.82
Current liabilities		
Financial liabilities		
Short-term borrowings	603.61	1,184.98
Trade and other payables	358.90	338.53
Other financial liabilities	225.20	121.06
Provisions for employee benefits	55.35	64.09
Other liabilities	191.42	206.24
Total current liabilities	1,434.48	1,914.90
Total equity and liabilities	22,582.96	22,680.72
By order of the Board For Firstsource Solutions Limited		
Kolkata, India November 1, 2017	Rajesh Subramaniam Managing Director and CEO	