

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

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
	2018	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)
Income				
Revenue from operations	9,059.79	8,713.16	8,506.65	34,314.97
Other operating income, net	131.34	259.78	270.81	1,037.50
Other income	16.64	(25.50)	49.50	54.31
Total income	9,207.77	8,947.44	8,826.96	35,406.78
Expenses				
Employee benefits expenses	6,210.12	6,027.09	5,941.54	23,954.75
Depreciation and amortisation	179.87	172.34	152.85	659.24
Finance costs	62.44	88.96	109.26	404.03
Other expenses	1,699.88	1,620.97	1,829.79	6,808.66
Total expenses	8,152.31	7,909.36	8,033.44	31,826.68
Profit before tax and share in net (loss) of associate	1,055.46	1,038.08	793.52	3,580.10
Share in net profit / (loss) of associate	(0.01)	-	0.01	(0.01)
Profit before tax	1,055.45	1,038.08	793.53	3,580.09
Tax expense				
Current tax	158.08	96.22	104.76	456.79
Deferred tax	11.26	13.18	34.76	(142.48)
Net profit after tax	886.11	928.68	654.01	3,265.78
Other comprehensive income, net of taxes	383.98	24.86	(94.57)	(175.48)
Total comprehensive income	1,270.09	953.54	559.44	3,090.30
Profit attributable to:				
Owners of the equity	886.12	928.25	653.97	3,265.19
Non - controlling interest	(0.01)	0.43	0.04	0.59
Total comprehensive income attributable to:	886.11	928.68	654.01	3,265.78
Owners of the equity	1,269.25	952.59	559.52	3,089.52
Non - controlling interest	0.84	0.95	(0.08)	0.78
	1,270.09	953.54	559.44	3,090.30
Paid-up equity share capital (Face value per share of Rs 10)	6,885.02	6,865.23	6,818.62	6,865.23
Reserves excluding revaluation reserve	-	-	-	16,652.37
Earning per share (Rs) : (Face value per share of Rs 10)				
-Basic	1.29	1.36	0.96	4.78
-Diluted	1.28	1.35	0.95	4.73

Notes to financials results :

1. The audited consolidated financial statements for the quarter ended June 30, 2018 have been taken on record by the Board of Directors at its meeting held on August 6, 2018. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited 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, 2018, 1,979,658 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Effective April 1, 2018, the Group has adopted Ind AS 115. The adoption of the standard did not have any material impact to the condensed consolidated financial statements of the Company.

4. Standalone Information (Audited) under Ind AS

Particulars	Quarter ended		Year ended	
	June 30	March 31	June 30	March 31
	2018	2018	2017	2018
Total income	2,047.97	1,955.84	2,482.98	8,739.79
Net profit before taxation	571.90	488.11	588.08	2,192.56
Net profit after taxation and before other comprehensive income	471.43	464.18	505.57	1,919.16



Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

(Rs in millions)

5. Segment Reporting - Consolidated audited

Particulars	Quarter ended			Year ended
	June 30	March 31	June 30	March 31
	2018	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue				
a) Customer management	5,057.06	4,665.72	4,734.08	18,868.24
b) Healthcare	2,980.11	3,062.68	2,882.83	11,853.21
c) Collections	1,022.62	984.76	889.74	3,593.52
Total	9,059.79	8,713.16	8,506.65	34,314.97
Less: Inter-segment revenue	-	-	-	-
Net segment revenue	9,059.79	8,713.16	8,506.65	34,314.97
Segment results before tax and finance costs				
a) Customer management	621.14	765.29	635.02	2,840.82
b) Healthcare	603.51	537.49	473.03	1,988.95
c) Collections	177.54	157.03	76.55	378.55
Total	1,402.19	1,459.81	1,184.60	5,208.32
i) Finance costs	(62.44)	(88.96)	(109.26)	(404.03)
ii) Other unallocable expenditure net of unallocable income	(284.29)	(332.77)	(281.82)	(1,224.19)
iii) Share in net profit / (loss) of associate	(0.01)	-	0.01	(0.01)
Profit before tax and other comprehensive income	1,055.45	1,038.08	793.53	3,580.09
Segment assets				
a) Customer management	8,469.76	8,291.18	6,117.02	8,291.18
b) Healthcare	18,553.19	17,908.40	17,398.51	17,908.40
c) Collections	3,283.37	3,095.54	3,861.97	3,095.54
e) Unallocable	4,741.97	4,680.58	5,672.60	4,680.58
	35,048.29	33,975.70	33,050.10	33,975.70
Segment liabilities				
a) Customer management	8,529.77	5,606.61	4,346.49	5,606.61
b) Healthcare	636.78	3,682.80	5,545.17	3,682.80
c) Collections	221.69	263.63	150.21	263.63
e) Unallocable	785.16	892.53	2,131.57	892.53
	10,173.40	10,445.57	12,173.44	10,445.57

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 three key business segments comprising customer management, healthcare and collections. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.



Mumbai, India
August 6, 2018

By order of the Board
For Firstsource Solutions Limited

Rajesh Subramaniam
Managing Director and CEO

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF FIRSTSOURCE SOLUTIONS LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **Firstsource Solutions Limited** (the 'Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group') and its share of loss of its associate company, for the quarter ended 30 June 2018 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related condensed consolidated Ind AS financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such condensed consolidated Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) Includes the results of the following entities:

List of Subsidiaries:

1. Firstsource Group USA, Inc.
2. Firstsource Solutions UK Limited

3. Firstsource Solutions S.A.
4. Firstsource Advantage LLC
5. Firstsource Business Process Services, LLC
6. Firstsource Transaction Services LLC
7. Firstsource Process Management Services Limited
8. Firstsource BPO Ireland Limited
9. Firstsource Dialog Solutions (Private) Limited
10. One Advantage LLC
11. MedAssist Holdings LLC
12. Firstsource Solutions USA, LLC
13. ISGN Solutions, Inc.
14. ISGN Fulfillment Services, Inc.
15. ISGN Fulfillment Agency, LLC

List of Associate:

16. Nanobi Data and Analytics Private Limited
- (ii) Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016; and
- (iii) gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter ended 30 June 2018
5. The Consolidated financial results include the Group's share of loss of ₹ 0.01 million for the quarter ended 30 June 2018 in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management of the Company. Our report in so far as it relates to the amounts and disclosures included in respect of this associate is based solely on these financial statements.
6. The comparative financial information of the Company for the quarter ended 30 June 2017 prepared in accordance with Ind AS included in this Statement have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 8 August 2017 expressed an unmodified opinion. Our report is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W / W-100018)



SANJIV V. PILGAONKAR

Partner

(Membership No. 39826)

Mumbai, 6 August 2018

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018

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
	2018	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)
Income				
Revenue from operations	1,893.36	1,706.37	2,175.06	7,628.18
Other operating income, net	131.52	237.73	260.59	984.48
Other income	23.09	11.74	47.33	127.13
Total income	2,047.97	1,955.84	2,482.98	8,739.79
Expenses				
Employee benefits expenses	943.10	898.75	1,206.09	4,153.00
Depreciation and amortisation	57.09	55.08	50.08	215.30
Finance costs	4.00	26.94	19.38	62.32
Other expenses	471.88	486.96	619.35	2,116.61
Total expenses	1,476.07	1,467.73	1,894.90	6,547.23
Profit before tax	571.90	488.11	588.08	2,192.56
Tax expense				
Current tax	96.08	46.41	78.31	277.00
Deferred tax	4.39	(22.48)	4.20	(3.60)
Net profit after tax	471.43	464.18	505.57	1,919.16
Other comprehensive income, net of taxes	8.77	(396.46)	(174.08)	(715.70)
Total comprehensive income	480.20	67.72	331.49	1,203.46
Paid-up equity share capital (Face value per share of Rs 10)	6,885.02	6,865.23	6,818.62	6,865.23
Reserves excluding revaluation reserve	-	-	-	14,480.28
Earning per share (Rs): (Face value per share of Rs 10)				
-Basic	0.69	0.68	0.74	2.81
-Diluted	0.68	0.67	0.74	2.78

Notes to financials results :

1. The audited standalone financial statements for the quarter ended June 30, 2018 have been taken on record by the Board of Directors at its meeting held on August 6, 2018. 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.

2. During the quarter ended June 30, 2018, 1,979,658 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. As per Ind AS 108 - Operating Segment, if a financial report contains both 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 consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial results.

4. Effective April 1, 2018, the Company has adopted Ind AS 115. The adoption of the standard did not have any material impact to the condensed financial statements of the Company.

By order of the Board
For Firstsource Solutions Limited



Mumbai, India
August 6, 2018

Rajesh Subramaniam
Managing Director and CEO

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF FIRSTSOURCE SOLUTIONS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **Firstsource Solutions Limited** (the 'Company'), for the quarter ended 30 June 2018 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related condensed standalone Ind AS financial statements which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such condensed standalone Ind AS financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - a. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016; and

- b. gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter ended 30 June 2018.
5. The comparative financial information of the Company for the quarter ended 30 June 2017 prepared in accordance with Ind AS included in this Statement have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated 8 August 2017 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)



SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)

Mumbai, 6 August 2018