

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 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			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	9,442.00	9,059.79	8,463.75	18,501.79	16,970.40	34,314.97
Other operating income, net	105.40	131.34	265.94	236.74	536.75	1,037.50
Other income	5.06	16.64	4.22	21.70	53.72	54.31
Total income	9,552.46	9,207.77	8,733.91	18,760.23	17,560.87	35,406.78
Expenses						
Employee benefits expenses	6,453.48	6,210.12	5,941.49	12,663.60	11,883.03	23,954.75
Depreciation and amortisation	184.03	179.87	162.31	363.90	315.16	659.24
Finance costs	64.96	62.44	101.97	127.40	211.23	404.03
Other expenses	1,765.60	1,699.88	1,691.48	3,465.48	3,521.27	6,808.66
Total expenses	8,468.07	8,152.31	7,897.25	16,620.38	15,930.69	31,826.68
Profit before tax and share in net (loss) of associate	1,084.39	1,055.46	836.66	2,139.85	1,630.18	3,580.10
Share in net profit / (loss) of associate	-	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Profit before tax	1,084.39	1,055.45	836.64	2,139.84	1,630.17	3,580.09
Tax expense						
Current tax	106.01	158.08	110.01	264.09	214.77	456.79
Deferred tax	50.44	11.26	39.09	61.70	73.85	(142.48)
Net profit after tax	927.94	886.11	687.54	1,814.05	1,341.55	3,265.78
Other comprehensive income, net of taxes	401.20	383.98	53.16	785.18	(41.41)	(175.48)
Total comprehensive income	1,329.14	1,270.09	740.70	2,599.23	1,300.14	3,090.30
Profit attributable to:						
Owners of the equity	928.03	886.12	687.50	1,814.15	1,341.47	3,265.19
Non - controlling interest	(0.09)	(0.01)	0.04	(0.10)	0.08	0.59
Total comprehensive income attributable to:	927.94	886.11	687.54	1,814.05	1,341.55	3,265.78
Owners of the equity	1,330.17	1,269.25	740.47	2,599.42	1,299.99	3,089.52
Non - controlling interest	(1.03)	0.84	0.23	(0.19)	0.15	0.78
Total comprehensive income attributable to:	1,329.14	1,270.09	740.70	2,599.23	1,300.14	3,090.30
Paid-up equity share capital (Face value per share of Rs 10)	6,903.64	6,885.02	6,822.41	6,903.64	6,822.41	6,865.23
Reserves excluding revaluation reserve	-	-	-	-	-	16,652.37
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.35	1.29	1.01	2.63	1.97	4.78
-Diluted	1.33	1.28	1.00	2.61	1.95	4.73

Notes to financials results :

- The audited consolidated financial statements for the quarter and six months ended September 30, 2018 have been taken on record by the Board of Directors at its meeting held on November 1, 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.
- During the six months ended September 30, 2018, 3,841,661 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- Pursuant to a composite scheme of arrangement ('Scheme'), approved by National Company Law Tribunal on 5 October 2018, amongst CESC Infrastructure Limited, Spen Liq Private Limited (erstwhile Holding Company) and other entities, Spen Liq Private Limited has been amalgamated with RP-SG Business Process Services Limited with effect from 1 October 2017. Consequently, as a result of this approved composite scheme, the Shares of the Company held by Spen Liq Private Limited have devolved on RP-SG Business Process Services Limited on 12 October 2018 and thereby RP-SG Business Process Services Limited has become the immediate Parent of the Company.

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
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Total income	1,944.77	2,047.97	2,170.83	3,992.74	4,653.81	8,739.79
Net profit before taxation	457.11	571.90	510.31	1,029.01	1,098.39	2,192.56
Net profit after taxation and before other comprehensive income	402.88	471.43	438.53	874.31	944.10	1,919.16



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5. Statement of assets and liabilities (Consolidated - Audited)

(Rs. In millions)

Particulars	As at	As at
	September 30 2018	March 31 2018
ASSETS		
Non-current assets		
Property, plant and equipment		
Capital work-in-progress	890.76	881.83
Goodwill on consolidation	108.60	4.20
Other Intangible assets	21,410.34	19,308.07
Intangibles under development	525.95	607.05
Financial assets	84.50	17.27
Investments		
Other financial assets	122.08	122.62
Deferred tax assets	327.06	332.33
Income tax assets	2,320.11	2,175.49
Others non-current assets	689.32	679.24
Total non-current assets	2,261.12	1,956.68
Current assets	28,739.84	26,084.78
Financial assets		
Investments		
Trade receivables	80.00	220.00
Cash and cash equivalents	4,402.06	3,784.79
Other financial assets	660.89	1,230.00
Other current assets	1,837.01	1,911.36
	753.68	744.77
Total current assets	7,733.64	7,890.92
Total assets	36,473.48	33,975.70
EQUITY AND LIABILITIES		
Equity		
Equity share capital		
Other equity	6,903.64	6,865.23
Total equity attributable to equity holders of the Company	18,116.31	16,652.37
Non - controlling interest	25,019.95	23,517.60
Total equity	12.34	12.53
	25,032.29	23,530.13
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings		
Other financial liabilities	95.93	142.20
Provisions for employee benefits	472.83	161.46
Deferred tax liabilities	65.74	51.73
Total non-current liabilities	354.90	264.29
Current liabilities	989.40	619.68
Financial liabilities		
Short-term and other borrowings		
Trade payables	6,475.56	6,580.95
Other financial liabilities	1,144.13	972.10
Other current liabilities	1,969.41	1,468.73
Provisions for employee benefits	431.76	415.83
Provision for tax	300.01	238.30
	130.92	149.98
Total current liabilities	10,451.79	9,825.89
Total equity and liabilities	36,473.48	33,975.70



Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

(Rs in millions)

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
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Customer management	5,262.95	5,057.06	4,766.31	10,320.01	9,500.39	18,868.24
b) Healthcare	3,073.28	2,980.11	2,844.18	6,053.39	5,727.01	11,853.21
c) Collections	1,105.77	1,022.62	853.26	2,128.39	1,743.00	3,593.52
Total	9,442.00	9,059.79	8,463.75	18,501.79	16,970.40	34,314.97
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	9,442.00	9,059.79	8,463.75	18,501.79	16,970.40	34,314.97
Segment results before tax and finance costs						
a) Customer management	675.96	621.14	693.83	1,297.10	1,328.85	2,840.82
b) Healthcare	606.89	603.51	462.74	1,210.40	935.77	1,988.95
c) Collections	199.34	177.54	52.43	376.88	128.98	378.55
Total	1,482.19	1,402.19	1,209.00	2,884.38	2,393.60	5,208.32
i) Finance costs	(64.96)	(62.44)	(101.97)	(127.40)	(211.23)	(404.03)
ii) Other unallocable expenditure net of unallocable income	(332.84)	(284.29)	(270.37)	(617.13)	(552.19)	(1,224.19)
iii) Share in net profit / (loss) of associate	-	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Profit before tax and other comprehensive income	1,084.39	1,055.45	836.64	2,139.84	1,630.17	3,580.09
Segment assets						
a) Customer management	8,626.26	8,469.76	6,735.12	8,626.26	6,735.12	8,291.18
b) Healthcare	19,794.92	18,553.19	17,852.71	19,794.92	17,852.71	17,908.40
c) Collections	3,399.88	3,283.37	3,950.26	3,399.88	3,950.26	3,095.54
e) Unallocable	4,652.42	4,741.97	5,426.43	4,652.42	5,426.43	4,680.58
Total	36,473.48	35,048.29	33,964.52	36,473.48	33,964.52	33,975.70
Segment liabilities						
a) Customer management	8,637.45	8,529.77	5,289.66	8,637.45	5,289.66	5,606.61
b) Healthcare	914.33	636.78	5,103.84	914.33	5,103.84	3,682.80
c) Collections	385.75	221.69	166.86	385.75	166.86	263.63
e) Unallocable	1,503.66	785.16	1,764.18	1,503.66	1,764.18	892.53
Total	11,441.19	10,173.40	12,324.54	11,441.19	12,324.54	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.

By order of the Board
For Firstsource Solutions Limited



Rajesh Supramaniam
Managing Director and CEO

Kolkata, India

November 1, 2018



**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 and the six months ended 30 September 2018 and the Consolidated Balance Sheet as at 30 September 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 and six months ended 30 September 2018.
5. The Consolidated financial results include the Group's share of loss of ₹ Nil million (less than ₹ 0.01 million) and ₹ 0.01 million for the quarter and six months ended 30 September 2018 respectively in respect of an associate which is based on the associate's unaudited financial information for the quarter and six months ended 30 September 2018 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 such unaudited financial information. 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)

Kolkata, 1 November 2018

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

CIN: L64202MH2001PLC134147

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

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(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
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	1,833.92	1,893.36	1,886.55	3,727.28	4,061.61	7,628.18
Other operating income, net	85.25	131.52	236.72	216.77	497.31	984.48
Other income	25.60	23.09	47.56	48.69	94.89	127.13
Total income	1,944.77	2,047.97	2,170.83	3,992.74	4,653.81	8,739.79
Expenses						
Employee benefits expenses	952.72	943.10	1,053.32	1,895.82	2,259.41	4,153.00
Depreciation and amortisation	59.04	57.09	54.10	116.13	104.18	215.30
Finance costs	3.40	4.00	22.11	7.40	41.49	62.32
Other expenses	472.50	471.88	530.99	944.38	1,150.34	2,116.61
Total expenses	1,487.66	1,476.07	1,660.52	2,963.73	3,555.42	6,547.23
Profit before tax	457.11	571.90	510.31	1,029.01	1,098.39	2,192.56
Tax expense						
Current tax	50.13	96.08	57.95	146.21	136.26	277.00
Deferred tax	4.10	4.39	13.83	8.49	18.03	(3.60)
Net profit after tax	402.88	471.43	438.53	874.31	944.10	1,919.16
Other comprehensive income, net of taxes	(425.13)	8.77	(189.85)	(416.36)	(363.93)	(715.70)
Total comprehensive income	(22.25)	480.20	248.68	457.95	580.17	1,203.46
Paid-up equity share capital (Face value per share of Rs 10)	6,903.64	6,885.02	6,822.41	6,903.64	6,822.41	6,865.23
Reserves excluding revaluation reserve	-	-	-	-	-	14,480.28
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	0.58	0.69	0.64	1.27	1.38	2.81
-Diluted	0.58	0.68	0.64	1.26	1.37	2.78

Notes to financials results :

- The audited standalone financial statements for the quarter and six months ended September 30, 2018 have been taken on record by the Board of Directors at its meeting held on November 1, 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.
- During the six months ended September 30, 2018, 3,841,661 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 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.
- Pursuant to a composite scheme of arrangement ("Scheme"), approved by National Company Law Tribunal on 5 October 2018, amongst CESC Infrastructure Limited, Spen Liq Private Limited (erstwhile Holding Company) and other entities, Spen Liq Private Limited has been amalgamated with RP-SG Business Process Services Limited with effect from 1 October 2017. Consequently, as a result of this approved composite scheme, the Shares of the Company held by Spen Liq Private Limited have devolved on RP-SG Business Process Services Limited on 12 October 2018 and thereby RP-SG Business Process Services Limited has become the immediate Parent of the Company.



Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

5. Statement of Assets and liabilities (Audited)

(Rs in millions)

Particulars	As at	As at
	September, 30	March, 31
	2018	2018
ASSETS		
Non-current assets		
Property, plant and equipment		
Capital work-in-progress	299.65	274.83
Goodwill	88.88	2.42
Other Intangible assets	40.14	40.14
	203.40	244.21
Financial assets		
Investments		
Other financial assets	11,976.52	11,995.11
Other non-current assets	275.88	267.72
Deferred tax assets (net)	94.45	103.28
Income tax assets (net)	2,306.99	2,167.17
	686.36	704.45
Total non-current assets	15,972.27	15,799.33
Current assets		
Financial assets		
Investments		
Trade receivables	50.00	190.00
Cash and cash equivalents	5,135.31	5,647.40
Other financial assets	238.19	143.62
Other current assets	493.43	448.24
	303.95	262.25
Total current assets	6,220.88	6,691.51
Total assets	22,193.15	22,490.84
EQUITY AND LIABILITIES		
Equity		
Equity share capital		
Other equity	6,903.64	6,865.23
Total equity	13,802.75	14,480.28
	20,706.39	21,345.51
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings		
Other financial liabilities	56.09	78.61
Provisions for employee benefits	472.83	161.46
Total non-current liabilities	65.74	51.73
Current liabilities	594.66	291.80
Financial liabilities		
Short-term borrowings		
Trade payables	79.05	83.87
Other financial liabilities	332.70	275.62
Provisions for employee benefits	404.00	423.78
Other current liabilities	56.86	50.86
	19.49	19.40
Total current liabilities	892.10	853.53
Total equity and liabilities	22,193.15	22,490.84

By order of the Board
For Firstsource Solutions Limited

Rajesh Subramaniam
Managing Director and CEO

Kolkata, India
November 1, 2018



**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 and the six months ended 30 September 2018 and the Condensed Balance Sheet as at 30 September 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 and the six months ended 30 September 2018.

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



SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)

Kolkata, 1 November 2018