

# Firstsource Solutions Limited



## Profit and Loss account summary (consolidated figures)

(As per Indian Accounting Standards)

In INR million, except per share data

| Particulars  | Quarter ended    |                  | Growth % in<br>Q1 FY20<br>over<br>Q1 FY19 | Quarter<br>ended  | Growth % in<br>Q1 FY20<br>over<br>Q4 FY19 |
|--|------------------|------------------|---|-------------------|---|
|  | June<br>30, 2019 | June<br>30, 2018 |   | March<br>31, 2019 |   |
| <b>INCOME</b>  |                  |                  |   |                   |   |
| Income from services   | 9,668.80         | 9,059.79         | 6.7%                                      | 9,642.15          | 0.3%                                      |
| Other Operating Income   | 129.00           | 131.34           | -1.8%                                     | 29.67             | 334.8%                                    |
| <b>REVENUES FROM OPERATIONS</b>  | <b>9,797.80</b>  | <b>9,191.13</b>  | <b>6.6%</b>                               | <b>9,671.82</b>   | <b>1.3%</b>                               |
| <b>EXPENDITURE</b>   |                  |                  |   |                   |   |
| Operating expenses   | 1,529.72         | 1,699.88         | -10.0%                                    | 1,943.38          | -21.3%                                    |
| Personnel expenses   | 6,611.32         | 6,210.12         | 6.5%                                      | 6,344.27          | 4.2%                                      |
|  | 8,141.04         | 7,910.00         | 2.9%                                      | 8,287.65          | -1.8%                                     |
| <b>OPERATING EARNINGS BEFORE INTEREST,<br/>TAX AND DEPRECIATION (EBITDA)</b> | <b>1,656.76</b>  | <b>1,281.13</b>  | <b>29.3%</b>                              | <b>1,384.17</b>   | <b>19.7%</b>                              |
| <b>Operating EBITDA %</b>  | <b>16.9%</b>     | <b>13.9%</b>     |   | <b>14.3%</b>      |   |
| Depreciation / amortization  | 439.33           | 179.87           | 144.2%                                    | 189.66            | 131.6%                                    |
| <b>OPERATING EARNINGS BEFORE INTEREST<br/>AND TAX (EBIT)</b>                 | <b>1,217.43</b>  | <b>1,101.26</b>  | <b>10.5%</b>                              | <b>1,194.51</b>   | <b>1.9%</b>                               |
| <b>Operating EBIT %</b>  | <b>12.4%</b>     | <b>12.0%</b>     |   | <b>12.4%</b>      |   |
| Interest Income / (expense), net   | (47.77)          | (55.90)          | -14.5%                                    | (57.16)           | -16.4%                                    |
| Interest expense IND AS 116  | (67.09)          | -                | -   | -                 | -   |
| Other Income / (expense)   | (33.56)          | 10.09            | -   | (24.94)           | 34.6%                                     |
| <b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>  | <b>1,069.01</b>  | <b>1,055.45</b>  | <b>1.3%</b>                               | <b>1,112.41</b>   | <b>-3.9%</b>                              |
| <b>PBT (% of Total Income)</b>   | <b>10.9%</b>     | <b>11.5%</b>     |   | <b>11.5%</b>      |   |
| Taxes  | 157.25           | 169.34           | -7.1%                                     | 129.96            | 21.0%                                     |
| <b>PROFIT/ (LOSS) AFTER TAX<br/>BEFORE MINORITY INTEREST</b>                 | <b>911.76</b>    | <b>886.11</b>    | <b>2.9%</b>                               | <b>982.45</b>     | <b>-7.2%</b>                              |
| Minority Interest  | (0.03)           | (0.01)           | -   | 0.02              | -   |
| <b>PROFIT/(LOSS) AFTER TAX AND<br/>MINORITY INTEREST (PAT)</b>               | <b>911.79</b>    | <b>886.12</b>    | <b>2.9%</b>                               | <b>982.43</b>     | <b>-7.2%</b>                              |
| <b>PAT (% of Total Income)</b>   | <b>9.3%</b>      | <b>9.6%</b>      |   | <b>10.2%</b>      |   |
| <b>EARNINGS PER SHARE</b><br>(Equity shares of par value ` 10/ each)         |                  |                  |   |                   |   |
| Basic  | 1.32             | 1.29             |   | 1.42              |   |
| Diluted  | 1.32             | 1.28             |   | 1.42              |   |

**Balance sheet**  
(consolidated figures)

(As per Indian Accounting Standards)

In INR million

| Particulars   | As on            |                   |
|---|------------------|-------------------|
|   | June<br>30, 2019 | March<br>31, 2019 |
| <b>ASSETS</b>   |                  |                   |
| <b>Non-Current Assets</b>                                     |                  |                   |
| Goodwill on consolidation                                     | 20,412.73        | 20,451.72         |
| Fixed assets  | 1,761.48         | 1,795.43          |
| Right-of-use assets   | 4,178.06         | -                 |
| Investment in associate accounted for using the equity method | 0.07             | 0.06              |
| Financial assets  |                  |                   |
| Investments   | 119.87           | 121.59            |
| Other financial assets  | 865.85           | 718.79            |
| Deferred tax assets   | 2,379.19         | 2,314.68          |
| Income tax assets   | 691.25           | 776.51            |
| Other non-current assets                                      | 2,179.80         | 2,174.46          |
| <b>Total Non-Current Assets</b>                               | <b>32,588.30</b> | <b>28,353.24</b>  |
| <b>Current Assets</b>   |                  |                   |
| Financial assets  |                  |                   |
| Current investments   | 1,591.50         | 1,217.50          |
| Trade receivables   | 4,216.18         | 3,871.89          |
| Cash and cash equivalents                                     | 295.89           | 473.84            |
| Other financial assets (net)                                  | 2,022.85         | 1,707.08          |
| Other current assets  | 1,046.39         | 1,133.92          |
| <b>Total Current Assets</b>                                   | <b>9,172.81</b>  | <b>8,404.23</b>   |
| <b>TOTAL ASSETS</b>   | <b>41,761.11</b> | <b>36,757.47</b>  |
| <b>EQUITY AND LIABILITIES</b>                                 |                  |                   |
| <b>Shareholder's funds</b>                                    |                  |                   |
| Share capital   | 6,930.10         | 6,910.65          |
| Reserve and surplus   | 20,856.91        | 20,296.61         |
|   | <b>27,787.01</b> | <b>27,207.26</b>  |
| Minority interest   | 5.70             | 5.89              |
| <b>Non-current liabilities</b>                                |                  |                   |
| Long-term borrowings  | 41.54            | 69.48             |
| Lease liabilities   | 3,777.56         | -                 |
| Provision for employee benefits                               | 70.90            | 67.55             |
| Deferred tax liabilities                                      | 504.41           | 460.70            |
| <b>Total Non-current liabilities</b>                          | <b>4,394.41</b>  | <b>597.73</b>     |
| <b>Current liabilities</b>                                    |                  |                   |
| Financial liabilities   |                  |                   |
| Short-term borrowings   | 5,567.36         | 5,389.86          |
| Trade payables  | 895.97           | 901.75            |
| Lease liabilities   | 950.63           | -                 |
| Other financial liabilities                                   | 1,210.36         | 1,585.13          |
| Other current liabilities                                     | 350.71           | 463.15            |
| Provision for employee benefits                               | 372.76           | 384.07            |
| Provision for tax (net)                                       | 226.20           | 222.63            |
| <b>Total Current liabilities</b>                              | <b>9,573.99</b>  | <b>8,946.59</b>   |
| <b>TOTAL LIABILITIES</b>                                      | <b>41,761.11</b> | <b>36,757.47</b>  |

# Firstsource Solutions Limited



## Cash Flow Statement (consolidated figures)

In INR million

| Particulars  | Quarter ended<br>June 30, 2019 |
|--|--------------------------------|
| <b>Sources</b>   |                                |
| Net cash accruals                                      | 1,372.77                       |
| Interest and dividend received                         | 18.25                          |
| Increase in shareholders' funds                        | 57.36                          |
| Net increase in borrowings                             | 136.14                         |
| <b>Total Sources</b>                                   | <b>1,584.52</b>                |
| <b>Uses</b>  |                                |
| Net working capital                                    | 941.19                         |
| Taxes paid   | 13.32                          |
| Capital expenditure                                    | 368.83                         |
| Net interest paid                                      | 66.13                          |
| <b>Total Uses</b>                                      | <b>1,389.47</b>                |
| Surplus / (Deficit)                                    | 195.05                         |
| Effect of exchange rate on translation of subsidiaries | 1.00                           |
| Opening Cash and Cash Equivalents                      | 1,691.34                       |
| Closing Cash and Cash Equivalents                      | 1,887.39                       |

**OPERATING METRICS**

| Revenue by Industry   |               |               |               |  |               |
|---|---------------|---------------|---------------|--|---------------|
|   | Quarter Ended |               |               | Year Ended                                   |               |
|   | Jun 30, 2019  | Jun 30, 2018  | Mar 31, 2019  | Mar 31, 2019                                 | Mar 31, 2018  |
| BFSI  | 36.3%         | 35.1%         | 36.8%         | 36.0%  | 29.2%         |
| Telecom & Media   | 27.3%         | 28.7%         | 27.5%         | 28.0%  | 33.9%         |
| Healthcare  | 33.4%         | 35.3%         | 33.3%         | 34.3%  | 36.8%         |
| Others  | 3.0%          | 0.9%          | 2.4%          | 1.7%   | 0.1%          |
| <b>Total</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                                | <b>100.0%</b> |
| Revenue by Geography  |               |               |               |  |               |
|   | Quarter Ended |               |               | Year Ended                                   |               |
|   | Jun 30, 2019  | Jun 30, 2018  | Mar 31, 2019  | Mar 31, 2019                                 | Mar 31, 2018  |
| USA   | 57.0%         | 54.1%         | 55.3%         | 55.0%  | 53.6%         |
| UK  | 41.6%         | 44.7%         | 43.6%         | 43.9%  | 43.6%         |
| India   | 1.3%          | 1.2%          | 1.1%          | 1.1%   | 2.8%          |
| Rest of world*  | 0.1%          | 0.0%          | 0.0%          | 0.0%   | 0.0%          |
| <b>Total</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                                | <b>100.0%</b> |
| * Rest of world (RoW) primarily includes Europe (excluding UK), Australia and Sri Lanka |               |               |               |  |               |
| Revenue by Delivery location  |               |               |               |  |               |
|   | Quarter Ended |               |               | Year Ended                                   |               |
|   | Jun 30, 2019  | Jun 30, 2018  | Mar 31, 2019  | Mar 31, 2019                                 | Mar 31, 2018  |
| Offshore  | 22.5%         | 23.1%         | 18.5%         | 19.6%  | 24.1%         |
| Onshore   | 77.5%         | 76.9%         | 81.5%         | 80.4%  | 75.9%         |
| <b>Total</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                                | <b>100.0%</b> |
| Revenue by Business Segment   |               |               |               |  |               |
|   | Quarter Ended |               |               | Year Ended                                   |               |
|   | Jun 30, 2019  | Jun 30, 2018  | Mar 31, 2019  | Mar 31, 2019                                 | Mar 31, 2018  |
| Customer management   | 55.5%         | 55.8%         | 56.2%         | 56.1%  | 55.0%         |
| Healthcare  | 33.5%         | 35.6%         | 33.4%         | 34.6%  | 37.0%         |
| Collections   | 11.0%         | 8.6%          | 10.4%         | 9.3%   | 8.0%          |
| <b>Total</b>  | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b>                                | <b>100.0%</b> |
| Client Concentration  |               |               |               |  |               |
|   | Quarter Ended |               |               | Year Ended                                   |               |
|   | Jun 30, 2019  | Jun 30, 2018  | Mar 31, 2019  | Mar 31, 2019                                 | Mar 31, 2018  |
| Client contribution to revenues   |               |               |               |  |               |
| Top customer  | 24.9%         | 24.7%         | 24.6%         | 24.5%  | 28.3%         |
| Top 5 customers   | 41.2%         | 42.7%         | 42.3%         | 41.4%  | 46.3%         |
| Employee and Seats Metrics  |               |               |               |  |               |
|   | Quarter Ended |               |               | Year Ended                                   |               |
|   | Jun 30, 2019  | Jun 30, 2018  | Mar 31, 2019  | Mar 31, 2019                                 | Mar 31, 2018  |
| Total employees (end of period)   | 18,550        | 18,759        | 18,712        | 18,712                                       | 18,703        |
| Net Addition  | (162)         | 56            | 9             | 9  | (7,168)       |
| Employees in India  | 9,305         | 8,664         | 8,968         | 8,968  | 8,809         |
| Employees outside India   | 9,245         | 10,095        | 9,744         | 9,744  | 9,894         |
| Number of seats   | 15,956        | 16,287        | 15,964        | 15,964                                       | 16,679        |
| Seat fill factor  | 74%           | 74%           | 82%           | 82%  | 79%           |
| Attrition Snapshot  |               |               |               |  |               |
|   |               |               |               | Post 180 days attrition - Quarter annualized |               |
|   |               |               |               | Q1 FY20                                      | Q4 FY19       |
| Offshore (India and Philippines)  |               |               |               | 45.3%  | 41.5%         |
| Onshore (US and Europe)   |               |               |               | 46.8%  | 42.9%         |
| Other Metrics   |               |               |               |  |               |
|   |               |               |               | Quarter ended                                |               |
|   |               |               |               | Jun 30, 2019                                 | Mar 31, 2019  |
| Capital Expenditure (In INR million)  |               |               |               | 368.83                                       | 360.05        |