

**INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF INTERIM CONSOLIDATED FINANCIAL RESULTS**

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 the net profit after tax and total comprehensive income of its associate company for the quarter ended 30 June 2019 (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 amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled on the basis of the related audited condensed consolidated financial statements in accordance with the recognition and measurement principles laid down in the 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.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 auditor's 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 Company's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant 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:

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. Sourcepoint, Inc.
14. Sourcepoint Fulfillment Services, Inc.
15. ISGN Fulfillment Agency, LLC (upto 24 June 2019)

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 amended; and
 - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other consolidated financial information of the Group for the quarter ended 30 June 2019.
5. The consolidated financial results also includes the Group's share of profit after tax of ₹ 0.01 million and total comprehensive income of ₹ 0.01 million for the quarter ended 30 June 2019 as considered in the Statement, in respect of an associate whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the Management and our opinion on the Statement, 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. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the Statement is not modified in respect of the above matter.

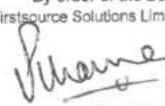
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
(UDIN: 19039826AAAAACE8681)

Mumbai, 2 August 2019

Firstsource Solutions Limited AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019 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
	2019	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)
Income				
Revenue from operations	9,668.80	9,642.15	9,059.79	37,867.07
Other operating income, net	129.00	29.67	131.34	395.70
Other income	(14.40)	10.10	16.64	38.87
Total income	9,783.40	9,681.92	9,207.77	38,301.64
Expenses				
Employee benefits expense	6,611.32	6,344.27	6,210.12	25,572.59
Depreciation and amortisation	439.33	189.66	179.87	744.35
Finance costs	134.03	92.20	62.44	290.00
Other expenses	1,529.72	1,943.38	1,699.88	7,335.51
Total expenses	8,714.40	8,569.51	8,152.31	33,942.45
Profit before tax and share in net profit / (loss) of associate	1,069.00	1,112.41	1,055.46	4,359.19
Share in net profit / (loss) of associate	0.01	-	(0.01)	(0.01)
Profit before tax	1,069.01	1,112.41	1,055.45	4,359.18
Tax expense				
Current tax	70.54	3.83	158.08	343.63
Deferred tax	86.71	126.13	11.26	237.78
Net profit after tax	911.76	982.45	886.11	3,777.77
Other comprehensive income, net of taxes	(8.87)	21.70	383.98	967.01
Total comprehensive income	902.89	1,004.15	1,270.09	4,744.78
Profit attributable to:				
Owners of the equity	911.79	982.43	886.12	3,777.86
Non - controlling interest	(0.03)	0.02	(0.01)	(0.09)
Total comprehensive income attributable to:	911.76	982.45	886.11	3,777.77
Owners of the equity	903.08	1,003.90	1,269.25	4,745.45
Non - controlling interest	(0.19)	0.25	0.84	(0.67)
Total comprehensive income attributable to:	902.89	1,004.15	1,270.09	4,744.78
Paid-up equity share capital (Face value per share of Rs 10)	6,930.10	6,910.65	6,885.02	6,910.65
Other Equity	-	-	-	20,296.61
Earning per share (Rs) : (Face value per share of Rs 10)				
-Basic	1.32	1.42	1.29	5.48
-Diluted	1.32	1.42	1.28	5.45
Notes to financials results :				
1. The audited consolidated financial statements for the quarter ended June 30, 2019 have been taken on record by the Board of Directors at its meeting held on August 2, 2019. 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, 2019, 1,944,561 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.				
3. Effective April 1, 2019 (date of initial application), the Group has adopted the Indian Accounting Standard 116 on Leases (Ind AS 116), notified by the Ministry of Corporate Affairs, which replaces the existing lease standard Indian Accounting Standard 17 on Leases (Ind AS 17). The Group has applied the standard to all lease contracts existing on April 1, 2019 retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to Retained Earnings at the date of initial application. On transition for operating leases, the Group recognised a lease liability of Rs. 4,460.11 million measured at the present value of the remaining lease payments and a Right-to-use asset of Rs. 3,928.41 million at its carrying value, as if the standard had been applied since commencement of respective lease, discounted using the incremental borrowing rate as at April 1, 2019. The cumulative effect on transition adjusted in retained earnings is Rs. 395.10 million (net of deferred tax of Rs. 136.60 million). On transition for finance leases, the Group has identified the carrying amount of the lease asset of Rs. 20.85 million included in property, plant and equipment as the carrying amount of the Right-to-use asset and the liability of Rs. 9.16 million and Rs. 9.14 million accounted in Borrowings and Other Financial Liabilities (current) respectively as the lease liability under Ind AS 116.				



Firstsource Solutions Limited				
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019				
(Rs in millions)				
4. Standalone Information (Audited)				
Particulars	Quarter ended			Year ended
	June 30	March 31	June 30	March 31
	2019	2019	2018	2019
Total income	2,122.93	2,357.76	2,047.97	8,300.29
Net profit before taxation	545.97	709.02	571.90	2,228.73
Net profit after taxation and before other comprehensive income	485.60	659.86	471.43	1,990.21
5. Segment Reporting - Consolidated audited				
(Rs in millions)				
Particulars	Quarter ended			Year ended
	June 30	March 31	June 30	March 31
	2019	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue				
a) Customer management	5,369.58	5,414.59	5,057.06	21,235.98
b) Healthcare	3,237.63	3,227.56	3,219.81	13,094.80
c) Collections	1,061.59	1,000.00	782.92	3,536.29
Total	9,668.80	9,642.15	9,059.79	37,867.07
Less: Inter-segment revenue	-	-	-	-
Net segment revenue	9,668.80	9,642.15	9,059.79	37,867.07
Segment results before tax and finance costs				
a) Customer management	586.20	691.73	621.14	2,765.82
b) Healthcare	655.41	702.27	649.78	2,501.27
c) Collections	177.51	208.01	131.27	617.83
Total	1,419.12	1,602.01	1,402.19	5,884.92
i) Finance costs	(134.03)	(92.20)	(62.44)	(290.00)
ii) Other unallocable expenditure net of unallocable income	(216.09)	(397.40)	(284.29)	(1,235.73)
iii) Share in net profit / (loss) of associate	0.01	-	(0.01)	(0.01)
Profit before tax and other comprehensive income	1,069.01	1,112.41	1,055.45	4,359.18
Segment assets				
a) Customer management	10,817.54	8,200.06	8,469.76	8,200.06
b) Healthcare	20,855.20	19,063.63	18,724.54	19,063.63
c) Collections	3,554.34	3,069.14	3,112.02	3,069.14
e) Unallocable	6,534.03	6,424.44	4,741.97	5,424.44
	41,761.11	36,757.47	35,048.29	36,767.47
Segment liabilities				
a) Customer management	9,956.46	7,529.12	8,529.77	7,529.12
b) Healthcare	2,445.84	801.88	696.11	801.88
c) Collections	719.80	287.54	162.36	287.54
e) Unallocable	846.30	925.78	765.16	925.78
	13,968.40	9,544.32	10,173.40	9,544.32
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				
 Vipul Khanna Managing Director and CEO				
Mumbai, India				
August 2, 2019				



**INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS**

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 2019 (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 amended.
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 audited condensed standalone financial statements which has been prepared in accordance with the recognition and measurement principles laid down in the 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.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 auditor's 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 Company's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant 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 amended; and
 - b. gives a true and fair view in conformity with the recognition and measurement principles laid down in 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 2019.

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



SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
(UDIN: 19039826AAAACF8352)

Mumbai, 2 August 2019

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

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
	2019	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)
Income				
Revenue from operations	1,935.37	1,779.91	1,893.36	7,247.52
Other operating income, net	140.21	46.31	131.52	433.54
Other income	47.35	531.53	23.09	619.23
Total income	2,122.93	2,357.75	2,047.97	8,300.29
Expenses				
Employee benefits expense	1,020.75	1,004.96	943.10	3,833.33
Depreciation and amortisation	162.03	65.37	57.09	243.19
Finance costs	34.84	3.84	4.00	15.45
Other expenses	359.34	574.56	471.88	1,979.59
Total expenses	1,576.96	1,648.73	1,476.07	6,071.56
Profit before tax	545.97	709.02	571.90	2,228.73
Tax expense				
Current tax	61.31	(20.80)	96.08	168.94
Deferred tax	(0.94)	69.96	4.39	69.58
Net profit after tax	485.60	659.86	471.43	1,990.21
Other comprehensive income, net of taxes	152.67	71.37	8.77	513.09
Total comprehensive income	638.27	731.23	480.20	2,503.30
Paid-up equity share capital (Face value per share of Rs 10)	6,930.10	6,910.65	6,885.02	6,910.65
Other equity	-	-	-	15,882.37
Earning per share (Rs): (Face value per share of Rs 10)				
-Basic	0.70	0.95	0.69	2.89
-Diluted	0.70	0.95	0.68	2.87

Notes to financials results :

1. The audited standalone financial statements for the quarter ended June 30, 2019 have been taken on record by the Board of Directors at its meeting held on August 2, 2019. 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, 2019, 1,944,561 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Effective April 1, 2019 (date of initial application), the Company has adopted the Indian Accounting Standard 116 on Leases (Ind AS 116), notified by the Ministry of Corporate Affairs, which replaces the existing lease standard Indian Accounting Standard 17 on Leases (Ind AS 17). The Company has applied the standard to all lease contracts existing on April 1, 2019 retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to Retained Earnings at the date of initial application. On transition for operating leases, the Company recognised a lease liability of Rs. 1,910.21 million measured at the present value of the remaining lease payments and a Right-to-use asset of Rs. 1,655.66 million at its carrying value, as if the standard had been applied since commencement of respective lease, discounted using the incremental borrowing rate as at April 1, 2019. The cumulative effect on transition adjusted in retained earnings is Rs. 174.80 million (net of deferred tax of Rs. 79.75 million).

4. 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.

By order of the Board
For Firstsource Solutions Limited

Vipul Khanna
Vipul Khanna
Managing Director and CEO

Mumbai, India
August 2, 2019

