

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

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(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)
	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 :

- 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.
- 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.
- 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	2,357.75	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	19,063.83	18,724.54	19,063.83
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	6,424.44
	41,761.11	36,757.47	35,048.29	36,757.47
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	785.16	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

Mumbai, India
August 2, 2019

Vipul Khanna
Managing Director and CEO

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

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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

Mumbai, India
August 2, 2019

Vipul Khanna
Managing Director and CEO