

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 Q2 FY20 over Q2 FY19	Quarter ended	Growth % in Q2 FY20 over Q1 FY20
	September 30, 2019	September 30, 2018		June 30, 2019	
INCOME					
Income from services	9,714.65	9,442.00	2.9%	9,668.80	0.5%
Other Operating Income	134.43	105.40	27.5%	129.00	4.2%
REVENUES FROM OPERATIONS	9,849.08	9,547.40	3.2%	9,797.80	0.5%
EXPENDITURE					
Operating expenses	1,803.05	1,765.60	2.1%	1,529.72	17.9%
Personnel expenses	6,721.51	6,453.48	4.2%	6,611.32	1.7%
	8,524.56	8,219.08	3.7%	8,141.04	4.7%
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	1,324.52	1,328.32	-0.3%	1,656.76	-20.1%
Operating EBITDA %	13.4%	13.9%		16.9%	
Depreciation / amortization	454.64	184.03	147.0%	439.33	3.5%
OPERATING MARGIN	869.88	1,144.29	-24.0%	1,217.43	-28.5%
Operating MARGIN %	8.8%	12.0%		12.4%	
Interest Income / (expense), net	(57.71)	(51.57)	-	(47.77)	-
Interest expense IND AS 116	(71.26)	-	-	(67.09)	-
Other Income / (expense)	65.40	(8.33)	-	(33.56)	-
PROFIT/(LOSS) BEFORE TAX (PBT)	806.31	1,084.39	-25.6%	1,069.01	-24.6%
PBT (% of Total Income)	8.2%	11.4%		10.9%	
Taxes	132.42	156.45	-15.4%	157.25	-15.8%
PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST	673.89	927.94	-27.4%	911.76	-26.1%
Minority Interest	(0.01)	(0.09)	-	(0.03)	-
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	673.90	928.03	-27.4%	911.79	-26.1%
PAT (% of Total Income)	6.8%	9.7%		9.3%	
EARNINGS PER SHARE (Equity shares of par value ` 10/ each)					
Basic	0.97	1.35		1.32	
Diluted	0.97	1.33		1.32	

Firstsource Solutions Limited



Profit and Loss account
(consolidated figures)

(As per Indian Accounting Standards)

In INR million, except per share data

Particulars	Six Months Ended		Growth
	September 30, 2019	September 30, 2018	%
INCOME			
Income from services	19,383.45	18,501.79	4.8%
Other Operating Income	263.43	236.74	11.3%
REVENUES FROM OPERATIONS	19,646.88	18,738.53	4.8%
EXPENDITURE			
Operating expenses	3,332.77	3,465.48	-3.8%
Personnel expenses	13,332.83	12,663.60	5.3%
	16,665.60	16,129.08	3.3%
OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)	2,981.28	2,609.45	14.2%
Operating EBITDA %	15.2%	13.9%	
Depreciation / amortization	893.97	363.90	145.7%
OPERATING MARGIN	2,087.31	2,245.55	-7.0%
Operating MARGIN %	10.6%	12.0%	
Interest Income / (expense), net	(105.48)	(107.45)	-
Interest expense IND AS 116	(138.35)	-	-
Other Income / (expense)	31.84	1.74	-
PROFIT/(LOSS) BEFORE TAX (PBT)	1,875.32	2,139.84	-12.4%
PBT (% of Total Income)	9.5%	11.4%	
Taxes	289.67	325.79	-11.1%
PROFIT/(LOSS) AFTER TAX BEFORE MINORITY INTEREST	1,585.65	1,814.05	-12.6%
Minority Interest	(0.04)	(0.10)	-
PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)	1,585.69	1,814.15	-12.6%
PAT (% of Total Income)	8.1%	9.7%	
EARNINGS PER SHARE (Equity shares of par value ` 10/ each)			
Basic	2.29	2.63	
Diluted	2.28	2.61	

Balance sheet
(consolidated figures)

(As per Indian Accounting Standards)

In INR million

Particulars	As at	
	September 30, 2019	June 30, 2019
ASSETS		
Non-Current Assets		
Goodwill on consolidation	20,945.97	20,412.73
Fixed assets	1,819.29	1,761.48
Right-of-use assets	4,242.38	4,178.06
Investment in associate accounted for using the equity method	0.07	0.07
Financial assets		
Investments	120.13	119.87
Other financial assets	882.11	865.85
Deferred tax assets	2,435.85	2,379.19
Income tax assets	745.77	691.25
Other non-current assets	2,180.76	2,179.80
Total Non-Current Assets	33,372.33	32,588.30
Current Assets		
Financial assets		
Current investments	731.50	1,591.50
Trade receivables	4,540.80	4,216.18
Cash and cash equivalents	571.12	295.89
Other financial assets (net)	2,186.58	2,022.85
Other current assets	1,191.82	1,046.39
Total Current Assets	9,221.82	9,172.81
TOTAL ASSETS	42,594.15	41,761.11
EQUITY AND LIABILITIES		
Shareholder's funds		
Share capital	6,932.01	6,930.10
Reserve and surplus	20,151.44	20,856.91
	27,083.45	27,787.01
Minority interest	5.72	5.70
Non-current liabilities		
Long-term borrowings	38.16	41.54
Lease liabilities	3,840.93	3,777.56
Provision for employee benefits	65.09	70.90
Deferred tax liabilities	583.23	504.41
Total Non-current liabilities	4,527.41	4,394.41
Current liabilities		
Financial liabilities		
Short-term borrowings	6,724.59	5,567.36
Trade payables	985.88	895.97
Lease liabilities	987.47	950.63
Other financial liabilities	1,447.73	1,210.36
Other current liabilities	377.61	350.71
Provision for employee benefits	387.68	372.76
Provision for tax (net)	66.61	226.20
Total Current liabilities	10,977.57	9,573.99
TOTAL LIABILITIES	42,594.15	41,761.11

Firstsource Solutions Limited



Cash Flow Statement (consolidated figures)

In INR million

Particulars	Quarter ended September 30, 2019
Sources	
Net cash accruals	1,034.53
Interest and dividend received	15.23
Increase in shareholders' funds	10.07
Net increase in borrowings	1,143.30
Total Sources	2,203.13
Uses	
Net working capital	506.88
Taxes paid	289.49
Capital expenditure	244.96
Dividend payout (including DDT)	1,670.92
Net interest paid	77.65
Total Uses	2,789.90
Surplus / (Deficit)	(586.77)
Effect of exchange rate on translation of subsidiaries	2.00
Opening Cash and Cash Equivalents	1,887.39
Closing Cash and Cash Equivalents	1,302.62

OPERATING METRICS

Revenue by Industry					
	Quarter Ended			Year Ended	
	Sep 30, 2019	Sep 30, 2018	Jun 30, 2019	Mar 31, 2019	Mar 31, 2018
BFSI	41.3%	36.0%	36.3%	36.0%	29.2%
Telecom & Media	22.1%	27.9%	27.3%	28.0%	33.9%
Healthcare	34.3%	34.8%	33.4%	34.3%	36.8%
Others	2.3%	1.3%	3.0%	1.7%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue by Geography					
	Quarter Ended			Year Ended	
	Sep 30, 2019	Sep 30, 2018	Jun 30, 2019	Mar 31, 2019	Mar 31, 2018
USA	61.6%	55.1%	57.0%	55.0%	53.6%
UK	36.9%	43.8%	41.6%	43.9%	43.6%
India	1.5%	1.1%	1.3%	1.1%	2.8%
Rest of world*	0.0%	0.0%	0.1%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
* Rest of world (RoW) primarily includes Europe (excluding UK) and Australia					
Revenue by Delivery location					
	Quarter Ended			Year Ended	
	Sep 30, 2019	Sep 30, 2018	Jun 30, 2019	Mar 31, 2019	Mar 31, 2018
Offshore	22.8%	19.9%	22.5%	19.6%	24.1%
Onshore	77.2%	80.1%	77.5%	80.4%	75.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue by Business Segment					
	Quarter Ended			Year Ended	
	Sep 30, 2019	Sep 30, 2018	Jun 30, 2019	Mar 31, 2019	Mar 31, 2018
Customer management	39.6%	47.4%	44.3%	47.3%	48.7%
Healthcare	34.4%	35.1%	33.5%	34.6%	37.0%
Collections	10.8%	9.2%	11.0%	9.3%	8.0%
Mortgage	15.2%	8.3%	11.2%	8.8%	6.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Client Concentration					
	Quarter Ended			Year Ended	
	Sep 30, 2019	Sep 30, 2018	Jun 30, 2019	Mar 31, 2019	Mar 31, 2018
Client contribution to revenues					
Top customer	19.8%	23.8%	24.9%	24.5%	28.3%
Top 5 customers	39.5%	41.6%	41.2%	41.4%	46.3%
Employee and Seats Metrics					
	Quarter Ended			Year Ended	
	Sep 30, 2019	Sep 30, 2018	Jun 30, 2019	Mar 31, 2019	Mar 31, 2018
Total employees (end of period)	20,001	19,615	18,550	18,712	18,703
Net Addition	1,451	856	(162)	9	(7,168)
Employees in India	10,493	9,040	9,305	8,968	8,809
Employees outside India	9,508	10,575	9,245	9,744	9,894
Number of seats	16,594	16,617	15,956	15,964	16,679
Seat fill factor	75%	71%	74%	82%	79%
Attrition Snapshot					
				Post 180 days attrition - Quarter annualized	
				Q2 FY20	Q1 FY20
Offshore (India and Philippines)				40.0%	45.3%
Onshore (US and Europe)				54.6%	46.8%
Other Metrics					
				Quarter ended	
				Sep 30, 2019	Jun 30, 2019
Capital Expenditure (In INR million)				244.96	368.83