

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 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			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2019	2019	2018	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	10,445.84	9,714.65	9,723.13	29,829.29	28,224.92	37,867.07
Other operating income, net	88.94	134.43	129.29	352.37	366.03	395.70
Other income	12.36	84.53	7.07	82.49	28.77	38.87
Total income	10,547.14	9,933.61	9,859.49	30,264.15	28,619.72	38,301.64
Expenses						
Employee benefits expense	7,052.70	6,721.51	6,564.72	20,385.53	19,228.32	25,572.59
Depreciation and amortisation	484.31	454.64	190.79	1,378.28	554.69	744.35
Finance costs	158.61	148.10	70.40	440.74	197.80	290.00
Other expenses	1,815.73	1,803.05	1,926.65	5,148.50	5,392.13	7,335.51
Total expenses	9,511.35	9,127.30	8,752.56	27,353.05	25,372.94	33,942.45
Profit before tax and share in net profit / (loss) of associate	1,035.79	806.31	1,106.93	2,911.10	3,246.78	4,359.19
Share in net profit / (loss) of associate	-	-	-	0.01	(0.01)	(0.01)
Profit before tax	1,035.79	806.31	1,106.93	2,911.11	3,246.77	4,359.18
Tax expense						
Current tax	112.73	70.53	75.71	253.80	339.80	343.63
Deferred tax	27.64	61.89	49.95	176.24	111.65	237.78
Net profit after tax	895.42	673.89	981.27	2,481.07	2,795.32	3,777.77
Other comprehensive income, net of taxes	(249.91)	278.56	160.13	19.78	945.31	967.01
Total comprehensive income	645.51	952.45	1,141.40	2,500.85	3,740.63	4,744.78
Profit attributable to:						
Owners of the equity	895.40	673.90	981.28	2,481.09	2,795.43	3,777.86
Non - controlling interest	0.02	(0.01)	(0.01)	(0.02)	(0.11)	(0.09)
Total comprehensive income attributable to:	895.42	673.89	981.27	2,481.07	2,795.32	3,777.77
Owners of the equity	645.41	952.43	1,142.13	2,500.92	3,741.55	4,745.45
Non - controlling interest	0.10	0.02	(0.73)	(0.07)	(0.92)	(0.67)
	645.51	952.45	1,141.40	2,500.85	3,740.63	4,744.78
Paid-up equity share capital (Face value per share of Rs 10)	6,935.70	6,932.01	6,908.52	6,935.70	6,908.52	6,910.65
Other Equity	-	-	-	-	-	20,296.61
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.29	0.97	1.42	3.58	4.06	5.48
-Diluted	1.29	0.97	1.41	3.57	4.02	5.45

Notes to financials results :

1. The audited consolidated financial statements for the quarter and nine months ended December 31, 2019 have been taken on record by the Board of Directors at its meeting held on February 4, 2020. 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 nine months ended December 31, 2019, 2,504,811 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.

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs in millions)

4. Standalone Information (Audited)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2019	2019	2018	2019	2018	2019
Total income	2,654.70	2,252.13	1,949.80	7,029.76	5,942.54	8,300.29
Net profit before taxation	621.65	341.49	490.70	1,509.11	1,519.71	2,228.73
Net profit after taxation and before other comprehensive income	524.38	300.17	456.04	1,310.15	1,330.35	1,990.21

5. Segment Reporting - Consolidated audited

(Rs in millions)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2019	2019	2018	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Customer management	3,974.93	3,849.22	4,574.36	12,108.87	13,429.02	17,911.03
b) Healthcare	3,386.04	3,346.88	3,338.13	9,970.55	9,867.22	13,094.80
c) Collections	1,101.87	1,045.07	883.62	3,208.53	2,536.31	3,536.29
d) Mortgage	1,983.00	1,473.48	927.02	4,541.34	2,392.37	3,324.95
Total	10,445.84	9,714.65	9,723.13	29,829.29	28,224.92	37,867.07
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	10,445.84	9,714.65	9,723.13	29,829.29	28,224.92	37,867.07
Segment results before tax and finance costs						
a) Customer management	495.32	446.15	658.32	1,411.51	1,829.01	2,405.76
b) Healthcare	738.76	596.15	496.42	1,990.32	1,799.00	2,501.27
c) Collections	155.15	142.47	125.12	475.13	409.82	617.83
d) Mortgage	274.41	225.19	118.67	615.76	245.08	360.06
Total	1,663.64	1,409.96	1,398.53	4,492.72	4,282.91	5,884.92
i) Finance costs	(158.61)	(148.10)	(70.40)	(440.74)	(197.80)	(290.00)
ii) Other unallocable expenditure net of unallocable income	(469.24)	(455.55)	(221.20)	(1,140.88)	(838.33)	(1,235.73)
iii) Share in net profit / (loss) of associate	-	-	-	0.01	(0.01)	(0.01)
Profit before tax and other comprehensive income	1,035.79	806.31	1,106.93	2,911.11	3,246.77	4,359.18

Segment assets

a) Customer management	8,657.90	8,585.00	6,707.24	8,657.90	6,707.24	6,563.37
b) Healthcare	21,208.05	21,568.24	19,073.47	21,208.05	19,073.47	19,063.83
c) Collections	3,788.01	3,680.45	3,012.73	3,788.01	3,012.73	3,069.14
d) Mortgage	3,616.40	2,990.11	1,585.38	3,616.40	1,585.38	1,636.69
e) Unallocable	5,877.85	5,770.35	5,590.38	5,877.85	5,590.38	6,424.44
	43,148.21	42,594.15	35,969.20	43,148.21	35,969.20	36,757.47

Segment liabilities

a) Customer management	9,554.77	9,897.61	7,894.37	9,554.77	7,894.37	7,349.10
b) Healthcare	2,614.37	2,652.46	739.15	2,614.37	739.15	801.88
c) Collections	747.41	761.01	224.09	747.41	224.09	287.54
d) Mortgage	1,493.69	1,277.17	170.80	1,493.69	170.80	180.02
e) Unallocable	999.27	916.73	746.76	999.27	746.76	925.78
	15,409.51	15,504.98	9,775.17	15,409.51	9,775.17	9,544.32

Note on segment information

Business segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ('CODM'), in deciding how to allocate resources and in assessing performance. Operating segments are identified based on the internal organization at the Balance Sheet date. The Group has identified the business segments as reportable segments, which comprise: Customer Management, Healthcare, Collections and Mortgage. With the growth in the mortgage revenues, during the current period, 'Mortgage' has been separated from 'Customer Management' and disclosed as a new reportable segment for the CODM. Following the change in the composition of the reportable segment, the Company has restated the corresponding amounts. Revenues and expenses directly attributable to the segments are reported under each reportable segment. The accounting principles used in the preparation of the segment information are consistently applied to record revenue and expenditure in individual business segments.

By order of the Board
For Firstsource Solutions Limited

Kolkata, India
February 4, 2020

Vipul Khanna
Managing Director and CEO

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 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			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2019	2019	2018	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	2,456.78	2,068.08	1,740.33	6,460.23	5,467.61	7,247.52
Other operating income, net	61.59	138.05	170.46	339.85	387.23	433.54
Other income	136.33	46.00	39.01	229.68	87.70	619.23
Total income	2,654.70	2,252.13	1,949.80	7,029.76	5,942.54	8,300.29
Expenses						
Employee benefits expense	1,256.31	1,214.96	932.55	3,492.02	2,828.37	3,833.33
Depreciation and amortisation	182.31	170.68	61.69	515.02	177.82	243.19
Finance costs	45.77	38.41	4.21	119.02	11.61	15.45
Other expenses	548.66	486.59	460.65	1,394.59	1,405.03	1,979.59
Total expenses	2,033.05	1,910.64	1,459.10	5,520.65	4,422.83	6,071.56
Profit before tax	621.65	341.49	490.70	1,509.11	1,519.71	2,228.73
Tax expense						
Current tax	105.34	49.75	43.53	216.40	189.74	168.94
Deferred tax	(8.07)	(8.43)	(8.87)	(17.44)	(0.38)	69.58
Net profit after tax	524.38	300.17	456.04	1,310.15	1,330.35	1,990.21
Other comprehensive income, net of taxes	(340.72)	39.10	858.08	(148.95)	441.72	513.09
Total comprehensive income	183.66	339.27	1,314.12	1,161.20	1,772.07	2,503.30
Paid-up equity share capital (Face value per share of Rs 10)	6,935.70	6,932.01	6,908.52	6,935.70	6,908.52	6,910.65
Other equity	-	-	-	-	-	15,882.37
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	0.76	0.43	0.66	1.89	1.93	2.89
-Diluted	0.75	0.43	0.66	1.89	1.91	2.87

Notes to financials results :

- The audited standalone financial statements for the quarter and nine months ended December 31, 2019 have been taken on record by the Board of Directors at its meeting held on February 4, 2020. 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 nine months ended December 31, 2019, 2,504,811 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 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.
- As per Ind AS 108 - Operating Segment ('Ind AS 108'), 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

Kolkata, India
February 4, 2020

Vipul Khanna
Managing Director and CEO