

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

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			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	9,442.00	9,059.79	8,463.75	18,501.79	16,970.40	34,314.97
Other operating income, net	105.40	131.34	265.94	236.74	536.75	1,037.50
Other income	5.06	16.64	4.22	21.70	53.72	54.31
Total income	9,552.46	9,207.77	8,733.91	18,760.23	17,560.87	35,406.78
Expenses						
Employee benefits expenses	6,453.48	6,210.12	5,941.49	12,663.60	11,883.03	23,954.75
Depreciation and amortisation	184.03	179.87	162.31	363.90	315.16	659.24
Finance costs	64.96	62.44	101.97	127.40	211.23	404.03
Other expenses	1,765.60	1,699.88	1,691.48	3,465.48	3,521.27	6,808.66
Total expenses	8,468.07	8,152.31	7,897.25	16,620.38	15,930.69	31,826.68
Profit before tax and share in net (loss) of associate	1,084.39	1,055.46	836.66	2,139.85	1,630.18	3,580.10
Share in net profit / (loss) of associate	-	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Profit before tax	1,084.39	1,055.45	836.64	2,139.84	1,630.17	3,580.09
Tax expense						
Current tax	106.01	158.08	110.01	264.09	214.77	456.79
Deferred tax	50.44	11.26	39.09	61.70	73.85	(142.48)
Net profit after tax	927.94	886.11	687.54	1,814.05	1,341.55	3,265.78
Other comprehensive income, net of taxes	401.20	383.98	53.16	785.18	(41.41)	(175.48)
Total comprehensive income	1,329.14	1,270.09	740.70	2,599.23	1,300.14	3,090.30
Profit attributable to:						
Owners of the equity	928.03	886.12	687.50	1,814.15	1,341.47	3,265.19
Non - controlling interest	(0.09)	(0.01)	0.04	(0.10)	0.08	0.59
Total comprehensive income attributable to:	927.94	886.11	687.54	1,814.05	1,341.55	3,265.78
Owners of the equity	1,330.17	1,269.25	740.47	2,599.42	1,299.99	3,089.52
Non - controlling interest	(1.03)	0.84	0.23	(0.19)	0.15	0.78
Total comprehensive income attributable to:	1,329.14	1,270.09	740.70	2,599.23	1,300.14	3,090.30
Paid-up equity share capital (Face value per share of Rs 10)	6,903.64	6,885.02	6,822.41	6,903.64	6,822.41	6,865.23
Reserves excluding revaluation reserve	-	-	-	-	-	16,652.37
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.35	1.29	1.01	2.63	1.97	4.78
-Diluted	1.33	1.28	1.00	2.61	1.95	4.73

Notes to financials results :

1. The audited consolidated financial statements for the quarter and six months ended September 30, 2018 have been taken on record by the Board of Directors at its meeting held on November 1, 2018. 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 six months ended September 30, 2018, 3,841,661 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Pursuant to a composite scheme of arrangement ('Scheme'), approved by National Company Law Tribunal on 5 October 2018, amongst CESC Infrastructure Limited, Spen Liq Private Limited (erstwhile Holding Company) and other entities, Spen Liq Private Limited has been amalgamated with RP-SG Business Process Services Limited with effect from 1 October 2017. Consequently, as a result of this approved composite scheme, the Shares of the Company held by Spen Liq Private Limited have devolved on RP-SG Business Process Services Limited on 12 October 2018 and thereby RP-SG Business Process Services Limited has become the immediate Parent of the Company.

4. Standalone Information (Audited) under Ind AS

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2018	2018	2017	2018	2017	2018
Total income	1,944.77	2,047.97	2,170.83	3,992.74	4,653.81	8,739.79
Net profit before taxation	457.11	571.90	510.31	1,029.01	1,098.39	2,192.56
Net profit after taxation and before other comprehensive income	402.88	471.43	438.53	874.31	944.10	1,919.16

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(Rs. In millions)

5. Statement of assets and liabilities (Consolidated - Audited)

Particulars	As at	As at
	September 30	March 31
	2018	2018
ASSETS		
Non-current assets		
Property, plant and equipment	890.76	881.83
Capital work-in-progress	108.60	4.20
Goodwill on consolidation	21,410.34	19,308.07
Other Intangible assets	525.95	607.05
Intangibles under development	84.50	17.27
Financial assets		
Investments	122.08	122.62
Other financial assets	327.06	332.33
Deferred tax assets	2,320.11	2,175.49
Income tax assets	689.32	679.24
Others non-current assets	2,261.12	1,956.68
Total non-current assets	28,739.84	26,084.78
Current assets		
Financial assets		
Investments	80.00	220.00
Trade receivables	4,402.06	3,784.79
Cash and cash equivalents	660.89	1,230.00
Other financial assets	1,837.01	1,911.36
Other current assets	753.68	744.77
Total current assets	7,733.64	7,890.92
Total assets	36,473.48	33,975.70
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,903.64	6,865.23
Other equity	18,116.31	16,652.37
Total equity attributable to equity holders of the Company	25,019.95	23,517.60
Non - controlling interest	12.34	12.53
Total equity	25,032.29	23,530.13
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	95.93	142.20
Other financial liabilities	472.83	161.46
Provisions for employee benefits	65.74	51.73
Deferred tax liabilities	354.90	264.29
Total non-current liabilities	989.40	619.68
Current liabilities		
Financial liabilities		
Short-term and other borrowings	6,475.56	6,580.95
Trade payables	1,144.13	972.10
Other financial liabilities	1,969.41	1,468.73
Other current liabilities	431.76	415.83
Provisions for employee benefits	300.01	238.30
Provision for tax	130.92	149.98
Total current liabilities	10,451.79	9,825.89
Total equity and liabilities	36,473.48	33,975.70

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

(Rs in millions)

6. Segment Reporting - Consolidated audited

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Customer management	5,262.95	5,057.06	4,766.31	10,320.01	9,500.39	18,868.24
b) Healthcare	3,073.28	2,980.11	2,844.18	6,053.39	5,727.01	11,853.21
c) Collections	1,105.77	1,022.62	853.26	2,128.39	1,743.00	3,593.52
Total	9,442.00	9,059.79	8,463.75	18,501.79	16,970.40	34,314.97
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	9,442.00	9,059.79	8,463.75	18,501.79	16,970.40	34,314.97
Segment results before tax and finance costs						
a) Customer management	675.96	621.14	693.83	1,297.10	1,328.85	2,840.82
b) Healthcare	606.89	603.51	462.74	1,210.40	935.77	1,988.95
c) Collections	199.34	177.54	52.43	376.88	128.98	378.55
Total	1,482.19	1,402.19	1,209.00	2,884.38	2,393.60	5,208.32
i) Finance costs	(64.96)	(62.44)	(101.97)	(127.40)	(211.23)	(404.03)
ii) Other unallocable expenditure net of unallocable income	(332.84)	(284.29)	(270.37)	(617.13)	(552.19)	(1,224.19)
iii) Share in net profit / (loss) of associate	-	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)
Profit before tax and other comprehensive income	1,084.39	1,055.45	836.64	2,139.84	1,630.17	3,580.09
Segment assets						
a) Customer management	8,626.26	8,469.76	6,735.12	8,626.26	6,735.12	8,291.18
b) Healthcare	19,794.92	18,553.19	17,852.71	19,794.92	17,852.71	17,908.40
c) Collections	3,399.88	3,283.37	3,950.26	3,399.88	3,950.26	3,095.54
e) Unallocable	4,652.42	4,741.97	5,426.43	4,652.42	5,426.43	4,680.58
	36,473.48	35,048.29	33,964.52	36,473.48	33,964.52	33,975.70
Segment liabilities						
a) Customer management	8,637.45	8,529.77	5,289.66	8,637.45	5,289.66	5,606.61
b) Healthcare	914.33	636.78	5,103.84	914.33	5,103.84	3,682.80
c) Collections	385.75	221.69	166.86	385.75	166.86	263.63
e) Unallocable	1,503.66	785.16	1,764.18	1,503.66	1,764.18	892.53
	11,441.19	10,173.40	12,324.54	11,441.19	12,324.54	10,445.57

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

Kolkata, India
November 1, 2018

Rajesh Subramaniam
Managing Director and CEO

Firstsource Solutions Limited

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Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2018	2018	2017	2018	2017	2018
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	1,833.92	1,893.36	1,886.55	3,727.28	4,061.61	7,628.18
Other operating income, net	85.25	131.52	236.72	216.77	497.31	984.48
Other income	25.60	23.09	47.56	48.69	94.89	127.13
Total income	1,944.77	2,047.97	2,170.83	3,992.74	4,653.81	8,739.79
Expenses						
Employee benefits expenses	952.72	943.10	1,053.32	1,895.82	2,259.41	4,153.00
Depreciation and amortisation	59.04	57.09	54.10	116.13	104.18	215.30
Finance costs	3.40	4.00	22.11	7.40	41.49	62.32
Other expenses	472.50	471.88	530.99	944.38	1,150.34	2,116.61
Total expenses	1,487.66	1,476.07	1,660.52	2,963.73	3,555.42	6,547.23
Profit before tax	457.11	571.90	510.31	1,029.01	1,098.39	2,192.56
Tax expense						
Current tax	50.13	96.08	57.95	146.21	136.26	277.00
Deferred tax	4.10	4.39	13.83	8.49	18.03	(3.60)
Net profit after tax	402.88	471.43	438.53	874.31	944.10	1,919.16
Other comprehensive income, net of taxes	(425.13)	8.77	(189.85)	(416.36)	(363.93)	(715.70)
Total comprehensive income	(22.25)	480.20	248.68	457.95	580.17	1,203.46
Paid-up equity share capital (Face value per share of Rs 10)	6,903.64	6,885.02	6,822.41	6,903.64	6,822.41	6,865.23
Reserves excluding revaluation reserve	-	-	-	-	-	14,480.28
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	0.58	0.69	0.64	1.27	1.38	2.81
-Diluted	0.58	0.68	0.64	1.26	1.37	2.78

Notes to financials results :

- The audited standalone financial statements for the quarter and six months ended September 30, 2018 have been taken on record by the Board of Directors at its meeting held on November 1, 2018. 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 six months ended September 30, 2018, 3,841,661 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- 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.
- Pursuant to a composite scheme of arrangement ('Scheme'), approved by National Company Law Tribunal on 5 October 2018, amongst CESC Infrastructure Limited, Spen Liq Private Limited (erstwhile Holding Company) and other entities, Spen Liq Private Limited has been amalgamated with RP-SG Business Process Services Limited with effect from 1 October 2017. Consequently, as a result of this approved composite scheme, the Shares of the Company held by Spen Liq Private Limited have devolved on RP-SG Business Process Services Limited on 12 October 2018 and thereby RP-SG Business Process Services Limited has become the immediate Parent of the Company.

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

(Rs in millions)

5. Statement of Assets and liabilities (Audited)

Particulars	As at	As at
	September, 30	March, 31
	2018	2018
ASSETS		
Non-current assets		
Property, plant and equipment	299.65	274.83
Capital work-in-progress	88.88	2.42
Goodwill	40.14	40.14
Other Intangible assets	203.40	244.21
Financial assets		
Investments	11,976.52	11,995.11
Other financial assets	275.88	267.72
Other non-current assets	94.45	103.28
Deferred tax assets (net)	2,306.99	2,167.17
Income tax assets (net)	686.36	704.45
Total non-current assets	15,972.27	15,799.33
Current assets		
Financial assets		
Investments	50.00	190.00
Trade receivables	5,135.31	5,647.40
Cash and cash equivalents	238.19	143.62
Other financial assets	493.43	448.24
Other current assets	303.95	262.25
Total current assets	6,220.88	6,691.51
Total assets	22,193.15	22,490.84
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,903.64	6,865.23
Other equity	13,802.75	14,480.28
Total equity	20,706.39	21,345.51
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	56.09	78.61
Other financial liabilities	472.83	161.46
Provisions for employee benefits	65.74	51.73
Total non-current liabilities	594.66	291.80
Current liabilities		
Financial liabilities		
Short-term borrowings	79.05	83.87
Trade payables	332.70	275.62
Other financial liabilities	404.00	423.78
Provisions for employee benefits	56.86	50.86
Other current liabilities	19.49	19.40
Total current liabilities	892.10	853.53
Total equity and liabilities	22,193.15	22,490.84

By order of the Board
For Firstsource Solutions Limited

Kolkata, India
November 1, 2018

Rajesh Subramaniam
Managing Director and CEO