

# 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<br>Q3 FY20<br>over<br>Q3 FY19 | Quarter<br>ended      | Growth % in<br>Q3 FY20<br>over<br>Q2 FY20 |
|--|----------------------|----------------------|---|-----------------------|---|
|  | December<br>31, 2019 | December<br>31, 2018 |   | September<br>30, 2019 |   |
| <b>INCOME</b>  |                      |                      |   |                       |   |
| Income from services   | 10,445.84            | 9,723.13             | 7.4%                                      | 9,714.65              | 7.5%                                      |
| Other Operating Income   | 88.94                | 129.29               | -31.2%                                    | 134.43                | -33.8%                                    |
| <b>REVENUES FROM OPERATIONS</b>  | <b>10,534.78</b>     | <b>9,852.42</b>      | <b>6.9%</b>                               | <b>9,849.08</b>       | <b>7.0%</b>                               |
| <b>EXPENDITURE</b>   |                      |                      |   |                       |   |
| Operating expenses   | 1,815.73             | 1,926.65             | -5.8%                                     | 1,803.05              | 0.7%                                      |
| Personnel expenses   | 7,052.70             | 6,564.72             | 7.4%                                      | 6,721.51              | 4.9%                                      |
|  | 8,868.43             | 8,491.37             | 4.4%                                      | 8,524.56              | 4.0%                                      |
| <b>OPERATING EARNINGS BEFORE INTEREST,<br/>TAX AND DEPRECIATION (EBITDA)</b> | <b>1,666.35</b>      | <b>1,361.05</b>      | <b>22.4%</b>                              | <b>1,324.52</b>       | <b>25.8%</b>                              |
| <b>Operating EBITDA %</b>  | <b>15.8%</b>         | <b>13.8%</b>         |   | <b>13.4%</b>          |   |
| Depreciation / amortization  | 484.31               | 190.79               | 153.8%                                    | 454.64                | 6.5%                                      |
| <b>OPERATING MARGIN</b>  | <b>1,182.04</b>      | <b>1,170.26</b>      | <b>1.0%</b>                               | <b>869.88</b>         | <b>35.9%</b>                              |
| <b>Operating MARGIN %</b>  | <b>11.2%</b>         | <b>11.9%</b>         |   | <b>8.8%</b>           |   |
| Interest Income / (expense), net   | (75.29)              | (60.47)              | -   | (57.71)               | -   |
| Interest expense IND AS 116  | (72.59)              | -                    | -   | (71.26)               | -   |
| Other Income / (expense)   | 1.63                 | (2.86)               | -   | 65.40                 | -   |
| <b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>  | <b>1,035.79</b>      | <b>1,106.93</b>      | <b>-6.4%</b>                              | <b>806.31</b>         | <b>28.5%</b>                              |
| <b>PBT (% of Total Income)</b>   | <b>9.8%</b>          | <b>11.2%</b>         |   | <b>8.2%</b>           |   |
| Taxes  | 140.37               | 125.66               | 11.7%                                     | 132.42                | 6.0%                                      |
| <b>PROFIT/ (LOSS) AFTER TAX<br/>BEFORE MINORITY INTEREST</b>                 | <b>895.42</b>        | <b>981.27</b>        | <b>-8.7%</b>                              | <b>673.89</b>         | <b>32.9%</b>                              |
| Non - controlling interest   | 0.02                 | (0.01)               | -   | (0.01)                | -   |
| <b>PROFIT/(LOSS) AFTER TAX AND<br/>MINORITY INTEREST (PAT)</b>               | <b>895.40</b>        | <b>981.28</b>        | <b>-8.8%</b>                              | <b>673.90</b>         | <b>32.9%</b>                              |
| <b>PAT (% of Total Income)</b>   | <b>8.5%</b>          | <b>10.0%</b>         |   | <b>6.8%</b>           |   |
| <b>EARNINGS PER SHARE</b><br>(Equity shares of par value INR 10/- each)      |                      |                      |   |                       |   |
| Basic  | 1.29                 | 1.42                 |   | 0.97                  |   |
| Diluted  | 1.29                 | 1.41                 |   | 0.97                  |   |

# Firstsource Solutions Limited



**Profit and Loss account**  
(consolidated figures)

(As per Indian Accounting Standards)

In INR million, except per share data

| Particulars  | Nine Months Ended |                   | Growth        |
|--|-------------------|-------------------|---------------|
|  | December 31, 2019 | December 31, 2018 | %             |
| <b>INCOME</b>  |                   |                   |               |
| Income from services   | 29,829.29         | 28,224.92         | 5.7%          |
| Other Operating Income   | 352.37            | 366.03            | -3.7%         |
| <b>REVENUES FROM OPERATIONS</b>  | <b>30,181.66</b>  | <b>28,590.95</b>  | <b>5.6%</b>   |
| <b>EXPENDITURE</b>   |                   |                   |               |
| Operating expenses   | 5,148.50          | 5,392.13          | -4.5%         |
| Personnel expenses   | 20,385.53         | 19,228.32         | 6.0%          |
|  | 25,534.03         | 24,620.45         | 3.7%          |
| <b>OPERATING EARNINGS BEFORE INTEREST, TAX AND DEPRECIATION (EBITDA)</b> | <b>4,647.63</b>   | <b>3,970.50</b>   | <b>17.1%</b>  |
| <b>Operating EBITDA %</b>  | <b>15.4%</b>      | <b>13.9%</b>      |               |
| Depreciation / amortization  | 1,378.28          | 554.69            | 148.5%        |
| <b>OPERATING MARGIN</b>  | <b>3,269.35</b>   | <b>3,415.81</b>   | <b>-4.3%</b>  |
| <b>Operating MARGIN %</b>  | <b>10.8%</b>      | <b>11.9%</b>      |               |
| Interest Income / (expense), net   | (180.76)          | (167.95)          | -             |
| Interest expense IND AS 116  | (210.95)          | -                 | -             |
| Other Income / (expense)   | 33.47             | (1.09)            | -             |
| <b>PROFIT/(LOSS) BEFORE TAX (PBT)</b>                                    | <b>2,911.11</b>   | <b>3,246.77</b>   | <b>-10.3%</b> |
| <b>PBT (% of Total Income)</b>   | <b>9.6%</b>       | <b>11.4%</b>      |               |
| Taxes  | 430.04            | 451.45            | -4.7%         |
| <b>PROFIT/ (LOSS) AFTER TAX BEFORE MINORITY INTEREST</b>                 | <b>2,481.07</b>   | <b>2,795.32</b>   | <b>-11.2%</b> |
| Non - controlling interest   | (0.02)            | (0.11)            | -             |
| <b>PROFIT/(LOSS) AFTER TAX AND MINORITY INTEREST (PAT)</b>               | <b>2,481.09</b>   | <b>2,795.43</b>   | <b>-11.2%</b> |
| <b>PAT (% of Total Income)</b>   | <b>8.2%</b>       | <b>9.8%</b>       |               |
| <b>EARNINGS PER SHARE</b><br>(Equity shares of par value INR 10/- each)  |                   |                   |               |
| Basic  | 3.58              | 4.06              |               |
| Diluted  | 3.57              | 4.02              |               |

**Balance sheet**  
(consolidated figures)

(As per Indian Accounting Standards)

In INR million

| Particulars   | As at                |                       |
|---|----------------------|-----------------------|
|   | December<br>31, 2019 | September<br>30, 2019 |
| <b>ASSETS</b>   |                      |                       |
| <b>Non-Current Assets</b>                                     |                      |                       |
| Fixed assets  | 1,832.24             | 1,819.29              |
| Right-of-use assets   | 4,644.66             | 4,242.38              |
| Goodwill on consolidation                                     | 21,092.82            | 20,945.97             |
| Investment in associate accounted for using the equity method | 0.07                 | 0.07                  |
| Financial assets  |                      |                       |
| Investments   | 120.94               | 120.13                |
| Other financial assets  | 575.24               | 882.11                |
| Deferred tax assets   | 2,511.93             | 2,435.85              |
| Income tax assets   | 739.68               | 745.77                |
| Other non-current assets                                      | 2,192.65             | 2,180.76              |
| <b>Total Non-Current Assets</b>                               | <b>33,710.23</b>     | <b>33,372.33</b>      |
| <b>Current Assets</b>   |                      |                       |
| Financial assets  |                      |                       |
| Current investments   | 1,049.67             | 731.50                |
| Trade receivables   | 4,272.37             | 4,540.80              |
| Cash and cash equivalents                                     | 338.76               | 571.12                |
| Other financial assets  | 2,555.21             | 2,186.58              |
| Other current assets  | 1,221.97             | 1,191.82              |
| <b>Total Current Assets</b>                                   | <b>9,437.98</b>      | <b>9,221.82</b>       |
| <b>TOTAL ASSETS</b>   | <b>43,148.21</b>     | <b>42,594.15</b>      |
| <b>EQUITY AND LIABILITIES</b>                                 |                      |                       |
| <b>Shareholder's funds</b>                                    |                      |                       |
| Equity share capital  | 6,935.70             | 6,932.01              |
| Reserve and surplus   | 20,797.18            | 20,151.44             |
|   | <b>27,732.88</b>     | <b>27,083.45</b>      |
| Non - controlling interest                                    | 5.82                 | 5.72                  |
| <b>Non-current liabilities</b>                                |                      |                       |
| Long-term borrowings  | 30.88                | 38.16                 |
| Lease liabilities   | 4,181.42             | 3,840.93              |
| Provision for employee benefits                               | 66.90                | 65.09                 |
| Deferred tax liabilities                                      | 623.49               | 583.23                |
| <b>Total Non-current liabilities</b>                          | <b>4,902.69</b>      | <b>4,527.41</b>       |
| <b>Current liabilities</b>                                    |                      |                       |
| Financial liabilities   |                      |                       |
| Short-term borrowings   | 6,287.94             | 6,724.59              |
| Trade payables  | 1,006.59             | 985.88                |
| Lease liabilities   | 1,082.92             | 987.47                |
| Other financial liabilities                                   | 1,432.79             | 1,447.73              |
| Other current liabilities                                     | 335.88               | 377.61                |
| Provision for employee benefits                               | 346.23               | 387.68                |
| Provision for tax (net)                                       | 14.47                | 66.61                 |
| <b>Total Current liabilities</b>                              | <b>10,506.82</b>     | <b>10,977.57</b>      |
| <b>TOTAL LIABILITIES</b>                                      | <b>43,148.21</b>     | <b>42,594.15</b>      |

# Firstsource Solutions Limited



## Cash Flow Statement (consolidated figures)

In INR million

| Particulars  | Quarter ended<br>December 31, 2019 |
|--|------------------------------------|
| <b>Sources</b>   |                                    |
| Net cash accruals                                      | 1,032.86                           |
| Interest and dividend received                         | 8.43                               |
| Increase in shareholders' funds                        | 3.29                               |
| <b>Total Sources</b>                                   | <b>1,044.58</b>                    |
| <b>Uses</b>  |                                    |
| Net working capital                                    | 80.53                              |
| Taxes paid   | 163.10                             |
| Capital expenditure                                    | 174.32                             |
| Repayment of Borrowings                                | 462.00                             |
| Net interest paid                                      | 79.32                              |
| <b>Total Uses</b>                                      | <b>959.27</b>                      |
| Surplus / (Deficit)                                    | 85.31                              |
| Effect of exchange rate on translation of subsidiaries | 0.50                               |
| Opening Cash and Cash Equivalents                      | 1,302.62                           |
| Closing Cash and Cash Equivalents                      | 1,388.43                           |

**OPERATING METRICS**

| <b>Revenue by Industry</b>   |                      |                     |                     |   |                     |
|--|----------------------|---------------------|---------------------|---|---------------------|
|  | <b>Quarter Ended</b> |                     |                     | <b>Year Ended</b>                                   |                     |
|  | <b>Dec 31, 2019</b>  | <b>Dec 31, 2018</b> | <b>Sep 30, 2019</b> | <b>Mar 31, 2019</b>                                 | <b>Mar 31, 2018</b> |
| BFSI   | 43.7%                | 35.3%               | 41.3%               | 36.0%   | 29.2%               |
| Telecom & Media  | 22.0%                | 28.5%               | 22.1%               | 28.0%   | 33.9%               |
| Healthcare   | 32.3%                | 34.1%               | 34.3%               | 34.3%   | 36.8%               |
| Others   | 2.0%                 | 2.1%                | 2.3%                | 1.7%  | 0.1%                |
| <b>Total</b>   | <b>100.0%</b>        | <b>100.0%</b>       | <b>100.0%</b>       | <b>100.0%</b>                                       | <b>100.0%</b>       |
| <b>Revenue by Geography</b>  |                      |                     |                     |   |                     |
|  | <b>Quarter Ended</b> |                     |                     | <b>Year Ended</b>                                   |                     |
|  | <b>Dec 31, 2019</b>  | <b>Dec 31, 2018</b> | <b>Sep 30, 2019</b> | <b>Mar 31, 2019</b>                                 | <b>Mar 31, 2018</b> |
| USA  | 63.3%                | 55.2%               | 61.6%               | 55.0%   | 53.6%               |
| UK   | 35.3%                | 43.8%               | 36.9%               | 43.9%   | 43.6%               |
| India  | 1.4%                 | 1.0%                | 1.5%                | 1.1%  | 2.8%                |
| Rest of world*   | 0.0%                 | 0.0%                | 0.0%                | 0.0%  | 0.0%                |
| <b>Total</b>   | <b>100.0%</b>        | <b>100.0%</b>       | <b>100.0%</b>       | <b>100.0%</b>                                       | <b>100.0%</b>       |
| * Rest of world (RoW) primarily includes Europe (excluding UK) and Australia |                      |                     |                     |   |                     |
| <b>Revenue by Delivery location</b>  |                      |                     |                     |   |                     |
|  | <b>Quarter Ended</b> |                     |                     | <b>Year Ended</b>                                   |                     |
|  | <b>Dec 31, 2019</b>  | <b>Dec 31, 2018</b> | <b>Sep 30, 2019</b> | <b>Mar 31, 2019</b>                                 | <b>Mar 31, 2018</b> |
| Offshore   | 25.2%                | 18.1%               | 22.8%               | 19.6%   | 24.1%               |
| Onshore  | 74.8%                | 81.9%               | 77.2%               | 80.4%   | 75.9%               |
| <b>Total</b>   | <b>100.0%</b>        | <b>100.0%</b>       | <b>100.0%</b>       | <b>100.0%</b>                                       | <b>100.0%</b>       |
| <b>Revenue by Business Segment</b>   |                      |                     |                     |   |                     |
|  | <b>Quarter Ended</b> |                     |                     | <b>Year Ended</b>                                   |                     |
|  | <b>Dec 31, 2019</b>  | <b>Dec 31, 2018</b> | <b>Sep 30, 2019</b> | <b>Mar 31, 2019</b>                                 | <b>Mar 31, 2018</b> |
| Customer management  | 38.1%                | 47.1%               | 39.6%               | 47.3%   | 48.7%               |
| Healthcare   | 32.4%                | 34.3%               | 34.4%               | 34.6%   | 37.0%               |
| Collections  | 10.5%                | 9.1%                | 10.8%               | 9.3%  | 8.0%                |
| Mortgage   | 19.0%                | 9.5%                | 15.2%               | 8.8%  | 6.3%                |
| <b>Total</b>   | <b>100.0%</b>        | <b>100.0%</b>       | <b>100.0%</b>       | <b>100.0%</b>                                       | <b>100.0%</b>       |
| <b>Client Concentration</b>  |                      |                     |                     |   |                     |
|  | <b>Quarter Ended</b> |                     |                     | <b>Year Ended</b>                                   |                     |
|  | <b>Dec 31, 2019</b>  | <b>Dec 31, 2018</b> | <b>Sep 30, 2019</b> | <b>Mar 31, 2019</b>                                 | <b>Mar 31, 2018</b> |
| Client contribution to revenues  |                      |                     |                     |   |                     |
| Top customer   | 19.5%                | 24.9%               | 19.8%               | 24.5%   | 28.3%               |
| Top 5 customers  | 42.1%                | 41.2%               | 39.5%               | 41.4%   | 46.3%               |
| <b>Employee and Seats Metrics</b>  |                      |                     |                     |   |                     |
|  | <b>Quarter Ended</b> |                     |                     | <b>Year Ended</b>                                   |                     |
|  | <b>Dec 31, 2019</b>  | <b>Dec 31, 2018</b> | <b>Sep 30, 2019</b> | <b>Mar 31, 2019</b>                                 | <b>Mar 31, 2018</b> |
| Total employees (end of period)  | 20,482               | 18,595              | 20,001              | 18,712  | 18,703              |
| Net Addition   | 481                  | 226                 | 1,451               | 9   | (7,168)             |
| Employees in India   | 10,982               | 8,621               | 10,493              | 8,968   | 8,809               |
| Employees outside India  | 9,500                | 9,974               | 9,508               | 9,744   | 9,894               |
| Number of seats  | 17,261               | 16,449              | 16,594              | 15,964  | 16,679              |
| Seat fill factor   | 87%                  | 78%                 | 75%                 | 82%   | 79%                 |
| <b>Attrition Snapshot</b>  |                      |                     |                     |   |                     |
|  |                      |                     |                     | <b>Post 180 days attrition - Quarter annualized</b> |                     |
|  |                      |                     |                     | <b>Q3 FY20</b>                                      | <b>Q2 FY20</b>      |
| Offshore (India and Philippines)   |                      |                     |                     | 36.0%   | 40.0%               |
| Onshore (US and Europe)  |                      |                     |                     | 45.8%   | 54.6%               |
| <b>Other Metrics</b>   |                      |                     |                     |   |                     |
|  |                      |                     |                     | <b>Quarter ended</b>                                |                     |
|  |                      |                     |                     | <b>Dec 31, 2019</b>                                 | <b>Sep 30, 2019</b> |
| Capital Expenditure (In INR million)   |                      |                     |                     | 174.32  | 244.96              |