

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

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 |
| | 2017 | 2017 | 2016 | 2017 |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| Income | | | | |
| Income from operations | 8,506.65 | 8,643.69 | 8,752.53 | 34,569.11 |
| Other operating income, net | 270.81 | 279.33 | 182.91 | 986.99 |
| Other income | 49.50 | (4.50) | 18.58 | 32.05 |
| Total income | 8,826.96 | 8,918.52 | 8,954.02 | 35,588.15 |
| Expenses | | | | |
| Employee benefits expenses | 5,941.54 | 6,166.64 | 5,817.08 | 23,834.37 |
| Depreciation and amortisation | 152.85 | 110.44 | 162.99 | 589.61 |
| Finance costs | 109.26 | 114.16 | 131.56 | 453.16 |
| Other expenses | 1,829.79 | 1,766.34 | 1,925.97 | 7,341.83 |
| Total expenses | 8,033.44 | 8,157.58 | 8,037.60 | 32,218.97 |
| Profit from operations | 793.52 | 760.94 | 916.42 | 3,369.18 |
| Share in net profit / (loss) of associate | 0.01 | (0.01) | - | (0.01) |
| Profit from ordinary activities before tax | 793.53 | 760.93 | 916.42 | 3,369.17 |
| Tax expense | | | | |
| Income tax | 104.76 | 99.83 | 124.45 | 454.36 |
| Deferred tax | 34.76 | 12.12 | 58.24 | 122.43 |
| Net profit from ordinary activities after tax | 654.01 | 648.98 | 733.73 | 2,792.38 |
| Other comprehensive income, net of taxes | (94.57) | (381.19) | 407.41 | (480.07) |
| Total comprehensive income | 559.44 | 267.79 | 1,141.14 | 2,312.31 |
| Profit attributable to: | | | | |
| Owners of the equity | 653.97 | 653.68 | 733.61 | 2,799.96 |
| Non - controlling interest | 0.04 | (4.70) | 0.12 | (7.58) |
| | 654.01 | 648.98 | 733.73 | 2,792.38 |
| Total comprehensive income attributable to: | | | | |
| Owners of the equity | 559.52 | 268.42 | 1,138.16 | 2,312.69 |
| Non - controlling interest | (0.08) | (0.63) | 2.98 | (0.38) |
| | 559.44 | 267.79 | 1,141.14 | 2,312.31 |
| Paid-up equity share capital (Face value per share of Rs 10) | 6,818.62 | 6,813.08 | 6,748.95 | 6,813.08 |
| Earning per share (Rs) : (Face value per share of Rs 10) | | | | |
| -Basic | 0.96 | 0.96 | 1.09 | 4.14 |
| -Diluted | 0.95 | 0.95 | 1.05 | 4.08 |

Notes to financials results :

1. The audited condensed consolidated financial statements for the quarter ended June 30, 2017 have been taken on record by the Board of Directors at its meeting held on August 8, 2017. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited condensed 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 quarter ended June 30, 2017, 553,525 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Standalone Information (Audited) under Ind AS

| Particulars | Quarter ended | | | Year ended |
|---|---------------|----------|----------|------------|
| | June 30 | March 31 | June 30 | March 31 |
| | 2017 | 2017 | 2016 | 2017 |
| | Total income | 2,482.98 | 2,426.43 | 2,270.09 |
| Net profit before taxation | 588.08 | 646.93 | 460.18 | 2,187.36 |
| Net profit after taxation and before other comprehensive income | 505.57 | 546.63 | 387.16 | 1,884.59 |

4. Segment Reporting - Consolidated audited

| Particulars | Quarter ended | | | Year ended |
|---|-----------------|-----------------|-----------------|------------------|
| | June 30 | March 31 | June 30 | March 31 |
| | 2017 | 2017 | 2016 | 2017 |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| Segment revenue | | | | |
| a) Customer management | 4,208.51 | 4,051.23 | 4,503.07 | 17,295.33 |
| b) Healthcare | 2,882.83 | 3,034.85 | 2,814.90 | 11,425.12 |
| c) Collections | 889.74 | 1,057.33 | 931.42 | 3,857.76 |
| d) Domestic Business (India) | 525.57 | 500.28 | 503.14 | 1,990.90 |
| Total | 8,506.65 | 8,643.69 | 8,752.53 | 34,569.11 |
| Less: Inter-segment revenue | - | - | - | - |
| Net segment revenue | 8,506.65 | 8,643.69 | 8,752.53 | 34,569.11 |
| Segment results before tax and finance costs | | | | |
| a) Customer management | 602.07 | 690.93 | 786.40 | 3,185.84 |
| b) Healthcare | 473.03 | 479.91 | 415.13 | 1,676.45 |
| c) Collections | 76.55 | 159.40 | 115.95 | 495.69 |
| d) Domestic Business (India) | 32.95 | 33.72 | 47.77 | 136.05 |
| Total | 1,184.60 | 1,363.96 | 1,365.25 | 5,494.03 |
| i) Finance costs | (109.26) | (114.16) | (131.56) | (453.16) |
| ii) Other unallocable expenditure net of unallocable income | (281.82) | (488.86) | (317.27) | (1,671.69) |
| iii) Share in net profit / (loss) of associate | 0.01 | (0.01) | - | (0.01) |
| Profit before tax and other comprehensive income | 793.53 | 760.93 | 916.42 | 3,369.17 |

| | | | | |
|------------------------------|------------------|------------------|------------------|------------------|
| Segment assets | | | | |
| a) Customer management | 5,525.13 | 4,860.36 | 5,504.14 | 4,860.36 |
| b) Healthcare | 17,398.51 | 17,253.82 | 18,055.51 | 17,253.82 |
| c) Collections | 3,861.97 | 3,850.46 | 3,568.48 | 3,850.46 |
| d) Domestic Business (India) | 591.89 | 487.37 | 809.07 | 487.37 |
| e) Unallocable | 8,043.60 | 8,740.96 | 5,703.41 | 8,740.96 |
| | 35,421.10 | 35,192.97 | 33,640.61 | 35,192.97 |
| Segment liabilities | | | | |
| a) Customer management | 3,801.97 | 2,876.25 | 3,278.93 | 2,876.25 |
| b) Healthcare | 5,545.17 | 6,380.68 | 6,857.52 | 6,380.68 |
| c) Collections | 150.21 | 217.33 | 215.09 | 217.33 |
| d) Domestic Business (India) | 544.52 | 460.84 | 250.10 | 460.84 |
| e) Unallocable | 4,502.57 | 4,966.09 | 3,938.38 | 4,966.09 |
| | 14,544.44 | 14,901.19 | 14,540.02 | 14,901.19 |

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 four key business segments comprising customer management, healthcare, collections and domestic business in India. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

5. Subsequent to the quarter end, the Company has signed a definitive agreement on 7 July 2017 to sell certain India domestic contracts, subject to customers approvals, which are awaited.

By order of the Board
For Firstsource Solutions Limited

Rajesh Subramaniam
Managing Director and CEO

Mumbai, India
August 8, 2017

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

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 | | Year ended | |
|--|-----------------|-----------------|-----------------|-----------------|
| | June 30 | March 31 | June 30 | March 31 |
| | 2017 | 2017 | 2016 | 2017 |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| Income | | | | |
| Income from operations | 2,175.06 | 2,094.44 | 2,043.21 | 8,408.65 |
| Other operating income, net | 260.59 | 306.31 | 175.86 | 992.00 |
| Other income | 47.33 | 25.68 | 51.02 | 147.86 |
| Total income | 2,482.98 | 2,426.43 | 2,270.09 | 9,548.51 |
| Expenses | | | | |
| Employee benefits expenses | 1,206.09 | 1,128.64 | 1,094.01 | 4,579.96 |
| Depreciation and amortisation | 50.08 | 39.18 | 48.85 | 190.32 |
| Finance costs | 19.38 | (15.07) | 45.46 | 67.75 |
| Other expenses | 619.35 | 626.75 | 621.59 | 2,523.12 |
| Total expenses | 1,894.90 | 1,779.50 | 1,809.91 | 7,361.15 |
| Profit from operations | 588.08 | 646.93 | 460.18 | 2,187.36 |
| Tax expense | | | | |
| Income tax | 78.31 | 76.04 | 68.51 | 258.36 |
| Deferred tax | 4.20 | 24.26 | 4.51 | 44.41 |
| Net profit from ordinary activities after tax | 505.57 | 546.63 | 387.16 | 1,884.59 |
| Other comprehensive income, net of taxes | (174.08) | 37.11 | 410.03 | 180.48 |
| Total comprehensive income | 331.49 | 583.74 | 797.19 | 2,065.07 |
| | | | | |
| Paid-up equity share capital (Face value per share of Rs 10) | 6,818.62 | 6,813.08 | 6,748.95 | 6,813.08 |
| | | | | |
| Earning per share (Rs): (Face value per share of Rs 10) | | | | |
| -Basic | 0.74 | 0.80 | 0.57 | 2.79 |
| -Diluted | 0.74 | 0.80 | 0.56 | 2.75 |

Notes to financials results :

1. The audited condensed standalone financial statements for the quarter ended June 30, 2017 have been taken on record by the Board of Directors at its meeting held on August 8, 2017. 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, 2017, 553,525 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. As per Ind AS 108 - Operating Segment, if a financial report contains both condensed 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 condensed consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial results.

4. Subsequent to the quarter end, the Company has signed a definitive agreement on 7 July 2017 to sell certain India domestic contracts, subject to customers approvals, which are awaited.

By order of the Board
For Firstsource Solutions Limited

Rajesh Subramaniam
Managing Director and CEO

Mumbai, India
August 8, 2017

Firstsource reports First Quarter Fiscal 2018 revenues of Rs 8,777 million

Y-o-Y de-growth of 1.8%; Constant Currency growth at 6.0%

EBIT of Rs 853 million

PAT of Rs 654 million

Mumbai, August 08, 2017: Firstsource Solutions Limited (NSE:FSL, BSE:532809), a global provider of customised Business Process Management (BPM) services and a RP-Sanjiv Goenka Group company, reported its consolidated financial results for the quarter ended June 2017 according to Ind AS.

Highlights for the Quarter ended June 30, 2017:

- Revenues at Rs 8,777 million, (1.8%) Y-o-Y and 6.0% in CC; (1.6%) Q-o-Q and 0.8% in CC
- EBIT at Rs 853 million or 9.7% of revenues, (17.1%) Y-o-Y; (3.0%) Q-o-Q
- PAT at Rs 654 million or 7.5% of revenues, (10.9%) Y-o-Y; flat Q-o-Q
- By Geography: Firstsource derived 52.6% revenues from the U.S., 41.2% from the U.K. and 6.2% from Rest of World, including India.
- By Vertical: Firstsource derived 36.2% revenues from Healthcare, 36.6% from Telecom & Media and 27.1% from BFSI.
- By Segment: Firstsource derived 49.5% revenues from Customer Management, 33.9% from Healthcare, 10.5% from Collections and 6.2% from the Domestic business.
- Employee strength was 25,013 as of June 30, 2017, reduction of 858 employees in the quarter.
- Q1 annualized attrition (post 180 days):
 - Offshore (India and Philippines) – 40.5% compared to 42.2% in Q4 FY17
 - Onshore (U.S. and Europe) – 48.2% compared to 40.7% in Q4 FY17
 - Domestic (India) – 94.4% compared to 81.1% in Q4 FY17

Sanjiv Goenka, Chairman, RP-Sanjiv Goenka Group and Firstsource Solutions said, “It has been a very good first quarter for Firstsource and we are excited about the future growth prospects. As part of our strategic and long term plans, we have signed definitive agreements to sell a portion of the India domestic business unit to Vertex Customer Management India Private Limited. Our continued investment in innovation is enabling us to strengthen our relationships with existing clients and win new logos.”

Business Highlights for the Quarter ended June 30, 2017:

Key Developments: Firstsource signed definitive agreements to sell a portion of the India domestic business unit to Vertex Customer Management India Private Limited. The decision is in line with the strategic and long term plans for the organisation.

Business Wins: Won additional contracts in the quarter for the Customer Management, Healthcare, Mortgage and Collections business with existing and new clients.

Debt repayment: Firstsource Group USA, wholly owned subsidiary of Firstsource Solutions successfully made the quarterly principal repayment of USD 11.25 million on its outstanding debt on June 30, 2017.

Awards & Recognitions:

- Firstsource is the first BPM company in the U.K to achieve the 'Gold' standard by **Investors in People (IIP)**. The standard defines what it takes to lead, support and manage people for sustained success. The organisation is now in the top 7% of businesses in the UK, which falls under this Gold accreditation
- Firstsource recognised as a 'Leader' in the **International Association of Outsourcing Professionals' (IAOP)** Global Outsourcing 100 List for 2017. In addition, it has also been named a 'Superstar of the Global Outsourcing 100', because of its' exceptional performance and high scores achieved during the IAOP evaluation
- Firstsource recognised as a 'Major Contender' in Banking BPO–Service Provider Landscape by **Everest Group's** PEAK Matrix™ Assessment 2017. This recognition acknowledges the organisation's focus on excellence and celebrates its' capabilities to consistently enhance customer experience
- Firstsource ranked as a 'Leader' in the Telecoms market by **NelsonHall** in one of their industry reports. The ranking as 'Leader' significantly improves the organisation's performance from a 'High Achiever' in the past

About Firstsource:

Firstsource Solutions Limited, a RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), is a leading global provider of customised Business Process Management (BPM) services to the Healthcare, Telecom & Media and Banking & Financial Services industries. The company's clients include Fortune 500, FTSE 100 & Nifty 50 companies. Firstsource has a 'rightshore' delivery model with operations in India, the Philippines, the U.K. and the U.S.

(www.firstsource.com)

For more information, please contact:

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