



6th November 2019

To:

**National Stock Exchange of India BSE Limited (Scrip Code: 532809)
Limited (Scrip Code: FSL)**
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (East),
Mumbai - 400 051

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Madam/ Sir,

Sub: Outcome of the Board Meeting

We wish to inform you that the Board of Directors of the Company have, at their meeting held today i.e. 6th November 2019, interalia approved the following:

1. The Audited Standalone and Consolidated financial Results for the quarter ended 30th September 2019, copies of which are enclosed herewith along with copies of Auditors' Reports thereon.
2. The implementation of the 'Firstsource Employee Stock Option Plan 2019'.
3. Postal ballot notice seeking member's approval for appointment of Mr. Vipul Khanna as MD & CEO of the Company for the period of five (5) years w.e.f. 2nd August 2019 and appointment of scrutinizers for the said purpose.
4. The five (5) year term of Mr. V. K. Sharma as an Independent Directors will expire on 13th November 2019 by efflux of time, noted by the Board.

The Meeting commenced at 11.45 a.m and concluded at 1.30 P.m.

We request you to take the above on record.

Thanking you,

For **Firstsource Solutions Limited**

Pooja Nambiar
Pooja Nambiar

Company Secretary & Compliance Officer

Encl.: A/a

FIRSTSOURCE SOLUTIONS LTD.,

Paradigm B, 5th Floor, Mindspace, New Link Road, Malad (W), Mumbai - 400 064. India.
Tel: +91 22 6666 0888 | Fax: +91 22 6666 0887 | Web: www.firstsource.com

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM CONSOLIDATED
FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF FIRSTSOURCE SOLUTIONS LIMITED

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **Firstsource Solutions Limited** (the 'Company') and its subsidiaries (the Company and its subsidiaries together referred to as the 'Group'), and its share of the net profit after tax and total comprehensive income of its associate company for the quarter and six months ended 30 September 2019 (the 'Statement') being submitted by the Group pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results:

- (i) include the results of the following entities:

Subsidiaries:

1. Firstsource Group USA, Inc.
2. Firstsource Solutions UK Limited
3. Firstsource Solutions S.A.
4. Firstsource Advantage LLC
5. Firstsource Business Process Services, LLC
6. Firstsource Transaction Services LLC
7. Firstsource Process Management Services Limited
8. Firstsource BPO Ireland Limited
9. Firstsource Dialog Solutions (Private) Limited
10. One Advantage LLC
11. MedAssist Holdings LLC
12. Firstsource Solutions USA, LLC
13. Sourcepoint, Inc.
14. Sourcepoint Fulfillment Services, Inc.
15. ISGN Fulfillment Agency, LLC (upto 24 June 2019)

Associate:

16. Nanobi Data and Analytics Private Limited

- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- (iii) give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and six months ended 30 September 2019.

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Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Consolidated Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the related audited condensed consolidated financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Boards of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of entities within the Group and its associate to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of entities included in the Consolidated Financial Results of which we are the independent auditors. For the associate included in the Consolidated Financial Results, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The consolidated financial results also includes the Group's share of profit after tax of ₹ Nil million (less than ₹ 0.01 million) and ₹ 0.01 million for the quarter and six months ended 30 September 2019 respectively and total comprehensive income of ₹ Nil million (less than ₹ 0.01 million) and ₹ 0.01 million for the quarter and six months ended 30 September 2019, as considered in the Statement, in respect of an associate whose interim financial information have not been audited by us. This financial information is unaudited and has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Board of Directors of the Company, this interim financial information is not material to the Group.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the interim financial information certified by the Board of the Directors of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar
Partner
(Membership No.39826)
(UDIN: 19039826AAAAFC2783)

Kolkata, 6 November 2019

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 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			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2019 (Audited)	2019 (Audited)	2018 (Audited)	2019 (Audited)	2018 (Audited)	2019 (Audited)
Income						
Revenue from operations	9,714.65	9,668.80	9,442.00	19,383.45	18,501.79	37,867.07
Other operating income, net	134.43	129.00	105.40	263.43	236.74	395.70
Other income	84.53	(14.40)	5.06	70.13	21.70	38.87
Total income	9,933.61	9,783.40	9,552.46	19,717.01	18,760.23	38,301.64
Expenses						
Employee benefits expense	6,721.51	6,611.32	6,453.48	13,332.83	12,663.60	25,572.59
Depreciation and amortisation	454.64	439.33	184.03	893.97	363.90	744.35
Finance costs	148.10	134.03	64.96	282.13	127.40	290.00
Other expenses	1,803.05	1,529.72	1,765.60	3,332.77	3,465.48	7,335.51
Total expenses	9,127.30	8,714.40	8,468.07	17,841.70	16,620.38	33,942.45
Profit before tax and share in net profit / (loss) of associate	806.31	1,069.00	1,084.39	1,875.31	2,139.85	4,359.19
Share in net profit / (loss) of associate	-	0.01	-	0.01	(0.01)	(0.01)
Profit before tax	806.31	1,069.01	1,084.39	1,875.32	2,139.84	4,359.18
Tax expense						
Current tax	70.53	70.54	106.01	141.07	264.09	343.63
Deferred tax	61.89	86.71	50.44	148.60	61.70	237.78
Net profit after tax	673.89	911.76	927.94	1,585.65	1,814.05	3,777.77
Other comprehensive income, net of taxes	278.56	(8.87)	401.20	269.69	785.18	967.01
Total comprehensive income	952.45	902.89	1,329.14	1,855.34	2,599.23	4,744.78
Profit attributable to:						
Owners of the equity	673.90	911.79	928.03	1,585.69	1,814.15	3,777.86
Non - controlling interest	(0.01)	(0.03)	(0.09)	(0.04)	(0.10)	(0.09)
Total comprehensive income attributable to:	673.89	911.76	927.94	1,585.65	1,814.05	3,777.77
Total comprehensive income attributable to:						
Owners of the equity	952.43	903.08	1,330.17	1,855.51	2,599.42	4,745.45
Non - controlling interest	0.02	(0.19)	(1.03)	(0.17)	(0.19)	(0.67)
	952.45	902.89	1,329.14	1,855.34	2,599.23	4,744.78
Paid-up equity share capital (Face value per share of Rs 10)	6,932.01	6,930.10	6,903.64	6,932.01	6,903.64	6,910.65
Other Equity	-	-	-	-	-	20,296.61
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	0.97	1.32	1.35	2.29	2.63	5.48
-Diluted	0.97	1.32	1.33	2.28	2.61	5.45

Notes to financials results :

- The audited consolidated financial statements for the quarter and six months ended September 30, 2019 have been taken on record by the Board of Directors at its meeting held on November 6, 2019. 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.
- During the six months ended September 30, 2019, 2,135,811 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 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.
- Condensed consolidated statement of cash flows is attached in Annexure I.



Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

(Rs in millions)

5. Standalone Information (Audited)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2019	2019	2018	2019	2018	2019
Total income	2,252.13	2,122.93	1,944.77	4,375.06	3,992.74	8,300.29
Net profit before taxation	341.49	545.97	457.11	887.46	1,029.01	2,228.73
Net profit after taxation and before other comprehensive income	300.17	485.60	402.88	785.77	874.31	1,990.21

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

Particulars	As at	As at
	September 30	March 31
	2019	2019
ASSETS		
Non-current assets		
Property, plant and equipment	1,299.60	1,143.16
Capital work-in-progress	-	20.20
Right-of-use assets	4,242.38	-
Goodwill on consolidation	20,945.97	20,451.72
Other Intangible assets	519.69	632.07
Investment in associates accounted for using the equity method	0.07	0.06
Financial assets		
Investments	120.13	121.59
Other financial assets	882.11	718.79
Deferred tax assets	2,435.85	2,314.68
Income tax assets	745.77	776.51
Others non-current assets	2,180.76	2,174.46
Total non-current assets	33,372.33	28,353.24
Current assets		
Financial assets		
Investments	731.50	1,217.50
Trade receivables	4,540.80	3,871.89
Cash and cash equivalents	571.12	473.84
Other financial assets	2,186.58	1,707.08
Other current assets	1,191.82	1,133.92
Total current assets	9,221.82	8,404.23
Total assets	42,594.15	36,757.47
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,932.01	6,910.65
Other equity	20,151.44	20,296.61
Total equity attributable to equity holders of the	27,083.45	27,207.26
Non - controlling interest	5.72	5.89
Total equity	27,089.17	27,213.15
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	38.16	69.48
Lease liabilities	3,840.93	-
Provisions for employee benefits	65.09	67.55
Deferred tax liabilities	583.23	460.70
Total non-current liabilities	4,527.41	597.73
Current liabilities		
Financial liabilities		
Short-term and other borrowings	6,724.59	5,389.86
Trade payables	985.88	901.75
Lease liabilities	987.47	-
Other financial liabilities	1,447.73	1,585.13
Other current liabilities	377.61	463.15
Provisions for employee benefits	387.68	384.07
Provision for tax	66.61	222.63
Total current liabilities	10,977.57	8,946.59
Total equity and liabilities	42,594.15	36,757.47



Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

7. Segment Reporting - Consolidated audited

(Rs in millions)

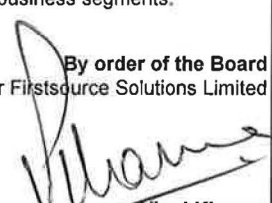
Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2019	2019	2018	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Customer management	3,849.22	4,284.72	4,480.21	8,133.94	8,854.65	17,911.03
b) Healthcare	3,346.88	3,237.63	3,309.26	6,584.51	6,529.07	13,094.80
c) Collections	1,045.07	1,061.59	869.79	2,106.66	1,652.71	3,536.29
d) Mortgage	1,473.48	1,084.86	782.74	2,558.34	1,465.36	3,324.95
Total	9,714.65	9,668.80	9,442.00	19,383.45	18,501.79	37,867.07
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	9,714.65	9,668.80	9,442.00	19,383.45	18,501.79	37,867.07
Segment results before tax and finance costs						
a) Customer management	446.15	470.04	615.12	916.19	1,170.69	2,405.76
b) Healthcare	596.15	655.41	652.80	1,251.56	1,302.58	2,501.27
c) Collections	142.47	177.51	153.43	319.98	284.70	617.83
d) Mortgage	225.19	116.16	60.84	341.35	126.41	360.06
Total	1,409.96	1,419.12	1,482.19	2,829.08	2,884.38	5,884.92
i) Finance costs	(148.10)	(134.03)	(64.96)	(282.13)	(127.40)	(290.00)
ii) Other unallocable expenditure net of unallocable income	(455.55)	(216.09)	(332.84)	(671.64)	(617.13)	(1,235.73)
iii) Share in net profit / (loss) of associate	-	0.01	-	0.01	(0.01)	(0.01)
Profit before tax and other comprehensive income	806.31	1,069.01	1,084.39	1,875.32	2,139.84	4,359.18
Segment assets						
a) Customer management	8,585.00	8,630.50	7,026.26	8,585.00	7,026.26	6,563.37
b) Healthcare	21,568.24	20,855.20	19,977.84	21,568.24	19,977.84	19,063.83
c) Collections	3,680.45	3,554.34	3,216.96	3,680.45	3,216.96	3,069.14
d) Mortgage	2,990.11	2,187.04	1,600.00	2,990.11	1,600.00	1,636.69
e) Unallocable	5,770.35	6,534.03	4,652.42	5,770.35	4,652.42	6,424.44
	42,594.15	41,761.11	36,473.48	42,594.15	36,473.48	36,757.47
Segment liabilities						
a) Customer management	9,897.61	9,337.15	8,401.72	9,897.61	8,401.72	7,349.10
b) Healthcare	2,652.46	2,445.84	981.42	2,652.46	981.42	801.88
c) Collections	761.01	719.80	318.66	761.01	318.66	287.54
d) Mortgage	1,277.17	619.31	235.73	1,277.17	235.73	180.02
e) Unallocable	916.73	846.30	1,503.66	916.73	1,503.66	925.78
	15,504.98	13,968.40	11,441.19	15,504.98	11,441.19	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 quarter, '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


Vipul Khanna
Managing Director and CEO

Kolkata, India

November 6, 2019



Condensed consolidated statement of cash flows

Annexure I

(Rs in millions)

Particulars	September 30 2019	September 30 2018
<u>Cash flow from operating activities</u>		
Net profit before taxation and non controlling interest	1,875.32	2,139.84
Operating cash flow before changes in working capital	2,628.62	1,282.82
Net cash generated from operating activities (A)	1,182.77	1,168.31
<u>Cash flow from investing activities</u>		
Purchase of current investments	(12,443.50)	(6,552.50)
Proceeds from sale of investment in mutual funds	12,962.31	6,708.51
Interest income received	5.59	3.62
Purchase of property, plant and equipment	(445.97)	(470.81)
Proceeds from sale of property, plant and equipment	1.60	0.05
Capital advances	(138.82)	-
Earmarked balances with banks	(5.05)	(1.48)
Proceeds from redemption of debentures	2.00	-
Net cash used in investing activities (B)	(61.84)	(312.61)
<u>Cash flow from financing activities</u>		
Proceeds from short term borrowings	1,334.73	2,836.45
Repayment of long term borrowings	(37.00)	(3,033.45)
Proceeds from issuance of equity shares and share application money	67.93	128.45
Interest paid	(278.92)	(127.96)
Dividend paid	(1,670.92)	(1,247.73)
Repayment of lease liabilities	(441.91)	-
Net cash used in financing activities (C)	(1,026.09)	(1,444.24)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	94.84	(588.54)
Cash and cash equivalents at the beginning of the period	473.84	1,230.00
Earmarked balances with banks	5.05	1.48
Foreign exchange (gain)/loss on translating Cash and cash equivalents	(2.61)	17.95
Cash and cash equivalents at the end of the period	571.12	660.89



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
FIRSTSOURCE SOLUTIONS LIMITED**

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **Firstsource Solutions Limited** (the 'Company'), for the quarter and six months ended 30 September 2019 (the 'Statement'), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, these Standalone Financial Results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34') and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and six months ended 30 September 2019.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited condensed standalone financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility

also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**Deloitte
Haskins & Sells LLP**

- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the Company to express an opinion on the Standalone Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities or business activities included in the Standalone Financial Results of which we are the independent auditors. We remain solely responsible for our audit opinion

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
(UDIN: 19039826AAAAFD9554)

Kolkata, 6 November 2019

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 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			Six months ended		Year ended
	September 30	June 30	September 30	September	September	March 31
	2019	2019	2018	2019	2018	2019
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	2,068.08	1,935.37	1,833.92	4,003.45	3,727.28	7,247.52
Other operating income, net	138.05	140.21	85.25	278.26	216.77	433.54
Other income	46.00	47.35	25.60	93.35	48.69	619.23
Total income	2,252.13	2,122.93	1,944.77	4,375.06	3,992.74	8,300.29
Expenses						
Employee benefits expense	1,214.96	1,020.75	952.72	2,235.71	1,895.82	3,833.33
Depreciation and amortisation	170.68	162.03	59.04	332.71	116.13	243.19
Finance costs	38.41	34.84	3.40	73.25	7.40	15.45
Other expenses	486.59	359.34	472.50	845.93	944.38	1,979.59
Total expenses	1,910.64	1,576.96	1,487.66	3,487.60	2,963.73	6,071.56
Profit before tax	341.49	545.97	457.11	887.46	1,029.01	2,228.73
Tax expense						
Current tax	49.75	61.31	50.13	111.06	146.21	168.94
Deferred tax	(8.43)	(0.94)	4.10	(9.37)	8.49	69.58
Net profit after tax	300.17	485.60	402.88	785.77	874.31	1,990.21
Other comprehensive income, net of taxes	39.10	152.67	(425.13)	191.77	(416.36)	513.09
Total comprehensive income	339.27	638.27	(22.25)	977.54	457.95	2,503.30
Paid-up equity share capital (Face value per share of Rs 10)	6,932.01	6,930.10	6,903.64	6,932.01	6,903.64	6,910.65
Other equity	-	-	-	-	-	15,882.37
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	0.43	0.70	0.58	1.13	1.27	2.89
-Diluted	0.43	0.70	0.58	1.13	1.26	2.87

Notes to financials results :

1. The audited standalone financial statements for the quarter and six months ended September 30, 2019 have been taken on record by the Board of Directors at its meeting held on November 6, 2019. 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 six months ended September 30, 2019, 2,135,811 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 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.
4. 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.
5. Condensed statement of cash flows is attached in Annexure I.



Firstsource Solutions Limited

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

7. Statement of Assets and liabilities (Audited)

Particulars	As at	As at
	September	March, 31
	2019	2019
ASSETS		
Non-current assets		
Property, plant and equipment	481.67	454.60
Capital work-in-progress	-	0.69
Right-of-use assets	1,736.18	-
Goodwill	40.14	40.14
Other Intangible assets	177.82	221.05
Financial assets		
Investments	11,978.68	11,970.89
Other financial assets	822.76	668.04
Other non-current assets	273.19	135.96
Deferred tax assets (net)	2,406.28	2,292.81
Income tax assets (net)	729.26	780.99
Total non-current assets	18,645.98	16,565.17
Current assets		
Financial assets		
Investments	700.00	1,187.50
Trade receivables	4,414.67	4,328.85
Cash and cash equivalents	68.88	131.26
Other financial assets	549.66	1,036.53
Other current assets	517.55	468.28
Total current assets	6,250.76	7,152.42
Total assets	24,896.74	23,717.59
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,932.01	6,910.65
Other equity	15,079.53	15,882.37
Total equity	22,011.54	22,793.02
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	31.10	34.88
Lease liabilities	1,658.71	-
Provisions for employee benefits	65.09	67.55
Total non-current liabilities	1,754.90	102.43
Current liabilities		
Financial liabilities		
Trade payables	292.00	289.29
Lease liabilities	360.38	-
Other financial liabilities	299.06	386.93
Provisions for employee benefits	63.01	59.51
Other current liabilities	64.82	24.88
Provision for tax (net)	51.03	61.53
Total current liabilities	1,130.30	822.14
Total equity and liabilities	24,896.74	23,717.59

By order of the Board
For Firstsource Solutions Limited


Vipul Khanna
Managing Director and CEO

Kolkata, India
November 6, 2019



Condensed statement of cash flows

Annexure I

(Rs in millions)

Particulars	September 30	September 30
	2019	2018
<u>Cash flow from operating activities</u>		
Net Profit before taxation	887.46	1,029.01
Operating cash flow before changes in working capital	1,193.53	1,103.86
Net cash generated from operating activities (A)	1,515.55	1,258.33
<u>Cash flow from investing activities</u>		
Purchase of current investments	(12,257.50)	(6,373.03)
Proceeds from sale of current investments	12,776.76	6,527.41
Proceeds from buyback by FDS	-	17.41
Proceeds from redemption of debentures	2.00	-
Interest income received	6.36	2.97
Purchase of property plant and equipment	(108.07)	(184.81)
Proceeds from sale of property plant and equipment	1.71	-
Earmarked funds placed with banks	(5.05)	(1.48)
Capital advances	(138.82)	-
Net cash generated from / (used in) investing activities (B)	277.39	(11.53)
<u>Cash flow from financing activities</u>		
Proceeds from issuance of equity shares and share application money	67.93	128.45
Repayment of long term borrowings	(22.17)	(27.34)
Interest paid	(73.65)	(7.68)
Repayment of lease liabilities	(161.73)	-
Dividend Paid	(1,670.92)	(1,247.73)
Net cash used in financing activities (C)	(1,860.54)	(1,154.30)
Net decrease in cash and cash equivalents at the end of the year (A+B+C)	(67.60)	92.50
Cash and cash equivalents at the beginning of the year	131.26	143.62
Foreign exchange (gain)/loss on translating Cash and cash equivalents	0.17	0.59
Earmarked Balances with Banks	5.05	1.48
Cash and cash equivalents at the end of the period	68.88	238.19



Firstsource Solutions Reports Second Quarter Fiscal 2020 Results

Revenues at Rs. 9,849 million, 3.2% Y-o-Y and 4.5% in constant currency

Kolkata, November 6, 2019: 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 September 30th 2019 according to IndAS.

Financial Highlights for Quarter Ended September 30th 2019:

- Revenues at Rs. 9,849 million, 3.2% Y-o-Y and 4.5% in constant currency; 0.5% Q-o-Q and 1.1% in constant currency
- Operating Margin (OM) at Rs. 870 million or 8.8% of revenues including one-time expense of Rs. 170 million from leadership change. OM of 12.0% in Q2FY19
- Profit After Taxes (PAT) at Rs. 674 million
- Diluted Earnings Per Share (EPS) of Rs. 0.97
- Added 1,451 employees in the quarter taking total employee strength to 20,001

Speaking on the occasion, **Sanjiv Goenka, Chairman, RP-Sanjiv Goenka Group and Firstsource Solutions**, said, “With the leadership change, we are redefining our strategy and investing in developing additional solutions for our customers for the new digital era.”

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 and FTSE 100 companies. Firstsource has a ‘Right-shore’ delivery model with operations in the US, the UK, India and the Philippines. (www.firstsource.com)

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6th November 2019

To:

**National Stock Exchange of India
Limited (Scrip Code: FSL)**
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051

**BSE Limited
(Scrip Code: 532809)**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Madam/ Sir,

Sub: Declaration under Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 read with SEBI circular CIR/CFD/CMD/56/2016 dated 27th May 2016

We hereby declare that as mentioned under the Independent Auditor's Report dated 6th November 2019 for Consolidated and Standalone Financial Results respectively for the quarter ended 30th September 2019, are with unmodified opinion.

Please take the same on your record.

Thanking you,

For **Firstsource Solutions Limited**



Pooja Nambiar
Company Secretary & Compliance Officer

FIRSTSOURCE SOLUTIONS LTD.,

Paradigm B, 5th Floor, Mindspace, New Link Road, Malad (W), Mumbai - 400 064, India.
Tel: +91 22 6666 0888 | Fax: +91 22 6666 0887 | Web: www.firstsource.com