

10th November 2021

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 of Audited Standalone and Consolidated financial results for the quarter and half year ended 30th September 2021 (Q2 FY2021-22) and 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. 10th November 2021, inter-alia approved the following:-

1. The Audited Standalone and Consolidated financial Results for the quarter and half year ended 30th September 2021, copies of which are enclosed herewith along with copies of Auditors' Reports thereon. We are also enclosing herewith copy of Press release relating to the financial results.

The Meeting commenced at 11.30 a.m. and concluded at 12.30 p.m.

We request you to take the above on record.

Thanking you,

For **Firstsource Solutions Limited**

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

(CIN: L64202MH2001PLC134147)

**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 Consolidated Financial Results for the quarter and six months ended 30 September 2021 included in the accompanying 'Statement of Audited Consolidated Financial Results for the Quarter and Six Months Ended 30 September 2021' 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 for the quarter and six months then ended 30 September 2021 (the 'Statement'), being submitted by the Company pursuant to the requirements 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 for the quarter and six months ended 30 September 2021:

(i) includes 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 Health Plans and Healthcare Services, LLC (formerly Firstsource Transaction Services LLC ('FTS'))
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.

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14. Sourcepoint Fulfillment Services, Inc.
15. PatientMatters LLC
16. Kramer Technologies, LLC
17. Medical Advocacy Services for Healthcare, Inc.
18. Firstsource Employee Benefit Trust

Associate:

19. Nanobi Data and Analytics Private Limited

- (ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- (iii) gives 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 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SA's) specified under Section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those Standards are further described in Auditor's Responsibilities for audit of the Consolidated Financial Results for the quarter and six months ended 30 September 2021 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 for the quarter and six months ended 30 September 2021 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 Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited condensed interim consolidated financial statements as at and for the quarter and six months ended 30 September 2021. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and six months ended 30 September 2021 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 Boards 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 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 the 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 subsidiaries and of its associate 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 intends 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 responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for audit of the Consolidated Financial Results for the quarter and six month ended 30 September 2021

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the quarter and six months ended 30 September 2021 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

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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 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 made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- 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.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results, 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 within the Group included in the Consolidated Financial Results of which we are the independent auditors. We have evaluated the materiality of revenue, net profit and total assets of an associate whose unaudited interim financial information was included in the Consolidated Financial Results of the Group and have concluded that those were not material to the Group. 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

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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.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

(UDIN: 21039826AAAAHM7511)

Mumbai, 10 November 2021

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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
	2021	2021	2020	2021	2020	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	14,182.12	14,780.09	11,783.30	28,962.21	22,320.46	50,326.87
Other operating income, net	104.00	67.93	93.72	171.93	178.45	452.93
Other income, net	7.33	(0.13)	20.86	7.20	19.61	12.66
Total income	14,293.45	14,847.89	11,897.88	29,141.34	22,518.52	50,792.46
Expenses						
Employee benefits expense	9,727.52	10,218.83	7,984.85	19,946.35	15,113.08	34,672.28
Depreciation and amortisation	596.60	583.75	518.50	1,180.35	1,016.95	2,063.52
Finance costs	155.12	145.50	124.36	300.62	257.92	522.30
Other expenses	2,170.66	2,245.89	2,015.85	4,416.55	3,841.46	8,065.47
Total expenses	12,649.90	13,193.97	10,643.56	25,843.87	20,229.41	45,323.57
Profit before tax, exceptional item and share in net profit / (loss) of associate	1,643.55	1,653.92	1,254.32	3,297.47	2,289.11	5,468.89
Exceptional item	-	-	-	-	-	1,150.55
Profit before tax and share in net profit / (loss) of associate	1,643.55	1,653.92	1,254.32	3,297.47	2,289.11	4,318.34
Share in net profit of associate	-	-	-	-	-	-
Profit before tax	1,643.55	1,653.92	1,254.32	3,297.47	2,289.11	4,318.34
Tax expense						
Current tax	183.67	224.69	107.01	408.36	170.87	619.59
Deferred tax	109.81	92.42	94.51	202.23	178.69	81.98
Net profit after tax	1,350.07	1,336.81	1,052.80	2,686.88	1,939.55	3,616.77
Other comprehensive income, net of taxes	159.65	285.56	(519.67)	445.21	(377.30)	(878.74)
Total comprehensive income	1,509.72	1,622.37	533.13	3,132.09	1,562.25	2,738.03
Profit attributable to:						
Owners of the equity	1,350.10	1,345.10	1,052.87	2,695.20	1,939.62	3,616.86
Non - controlling interest	(0.03)	(8.29)	(0.07)	(8.32)	(0.07)	(0.09)
Total comprehensive income attributable to:	1,350.07	1,336.81	1,052.80	2,686.88	1,939.55	3,616.77
Owners of the equity	1,509.70	1,630.66	533.28	3,140.36	1,562.28	2,738.52
Non - controlling interest	0.02	(8.29)	(0.15)	(8.27)	(0.03)	(0.49)
Total comprehensive income attributable to:	1,509.72	1,622.37	533.13	3,132.09	1,562.25	2,738.03
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,966.51	6,948.20	6,969.91	6,948.20	6,960.99
Other Equity						21,031.88
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	2.03	1.98	1.55	3.97	2.83	5.31
-Diluted	1.96	1.91	1.50	3.82	2.77	5.13

Notes to financial results :

1. The audited condensed interim consolidated financial statements for the six months ended September 30, 2021 have been taken on record by the Board of Directors at its meeting held on November 10, 2021. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited condensed interim consolidated financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards 34 ('Ind AS 34') 'Interim Financial Reporting', under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereunder.

2. During the six months ended September 30, 2021, 891,610 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. Consolidated statement of cash flows is attached in Annexure I.

(Rs in millions)

4. Standalone Information (Audited)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2021	2021	2020	2021	2020	2021
Total income	4,161.84	4,090.95	3,067.11	8,252.79	5,629.35	13,529.55
Net profit before taxation	1,271.06	1,203.90	938.86	2,474.96	1,607.86	4,253.27
Net profit after taxation and before other comprehensive income	1,102.67	1,014.68	839.09	2,117.35	1,446.77	3,666.53

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

5. Statement of assets and liabilities (Audited)

(Rs in millions)

Particulars	As at	As at
	September 30 2021	March 31 2021
ASSETS		
Non-current assets		
Property, plant and equipment	2,112.82	2,354.10
Right-of-use assets	6,106.44	5,132.94
Goodwill on consolidation	22,275.29	21,947.63
Other Intangible assets	429.89	540.91
Investment in associates accounted for using the equity method	0.07	0.07
Financial assets		
Investments	114.52	117.38
Other financial assets	751.92	584.46
Deferred tax assets	2,766.77	2,691.89
Income tax assets (net)	810.85	822.49
Others non-current assets	1,527.84	1,792.18
Total non-current assets	36,896.41	35,984.05
Current assets		
Financial assets		
Investments	946.54	825.70
Trade receivables	5,716.18	5,767.38
Cash and cash equivalents	1,230.20	1,373.34
Other financial assets	2,979.39	2,814.85
Other current assets	1,616.21	1,531.60
Total current assets	12,488.52	12,312.87
Total assets	49,384.93	48,296.92
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,969.91	6,960.99
Other equity	22,736.72	21,031.88
Total equity attributable to equity holders of the Company	29,706.63	27,992.87
Non - controlling interest	5.39	5.39
Total equity	29,712.02	27,998.26
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	314.05	845.52
Lease liabilities	5,807.27	4,863.76
Other financial liabilities	1,294.30	-
Provisions for employee benefits	127.90	103.90
Deferred tax liabilities	700.72	469.98
Total non-current liabilities	8,244.24	6,283.16
Current liabilities		
Financial liabilities		
Short term and other borrowings	5,242.23	5,199.22
Trade payables	1,536.86	2,788.03
Lease liabilities	1,222.06	1,034.67
Other financial liabilities	1,967.61	2,033.45
Other current liabilities	855.60	2,136.54
Provisions for employee benefits	522.91	642.62
Provision for tax (net)	81.40	180.97
Total current liabilities	11,428.67	14,015.50
Total equity and liabilities	49,384.93	48,296.92

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

6. 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
	2021	2021	2020	2021	2020	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Banking and Financial Services	6,937.65	7,631.55	6,115.89	14,569.20	11,510.69	26,109.21
b) Healthcare	4,195.96	3,950.61	3,186.77	8,146.57	6,342.45	13,354.35
c) Communication, Media and Technology	2,774.00	2,900.97	2,219.30	5,674.97	3,924.60	9,704.75
d) Diverse Industries	274.51	296.96	261.34	571.47	542.72	1,158.56
Total	14,182.12	14,780.09	11,783.30	28,962.21	22,320.46	50,326.87
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	14,182.12	14,780.09	11,783.30	28,962.21	22,320.46	50,326.87
Segment results before tax and finance costs						
a) Banking and Financial Services	1,397.53	1,501.91	1,035.63	2,899.44	2,040.48	4,653.40
b) Healthcare	634.68	646.07	495.04	1,280.75	958.17	2,113.54
c) Communication, Media and Technology	428.35	423.93	358.63	852.28	488.66	1,411.79
d) Diverse Industries	3.34	5.63	10.48	8.97	19.48	114.37
Total	2,463.90	2,577.54	1,899.78	5,041.44	3,506.79	8,293.10
i) Finance costs	(155.12)	(145.50)	(124.36)	(300.62)	(257.92)	(522.30)
ii) Other unallocable expenditure net of unallocable income*	(665.23)	(778.12)	(521.10)	(1,443.35)	(959.76)	(3,452.46)
iii) Share in net profit / (loss) of associate	-	-	-	-	-	-
Profit before tax and other comprehensive income	1,643.55	1,653.92	1,254.32	3,297.47	2,289.11	4,318.34

*includes exceptional item for the year ended March 31, 2021

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. With the objective of internal financial reporting and decision making of the Group, the CODM has reviewed the manner in which the Group views the business risks and returns and monitors its operations. Accordingly, the group has identified business segment which comprises of Banking and Financial Services, Healthcare, Communication, Media and Technology and Diverse Industries.

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.

Assets and liabilities used in the Group's business are not directly identified to any of the operating segments, as these are used interchangeably between segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence assets and liabilities have not been identified to any of the reportable segments by the Group.

By order of the Board
For Firstsource Solutions Limited


Vipul Khanna

Mumbai, India

November 10, 2021

Managing Director and CEO

Firstsource Solutions Limited

Consolidated statement of cash flows (Audited)

Annexure I

(Rs in millions)

Particulars	Six months ended	
	September 30	September 30
	2021	2020
<u>Cash flow from operating activities</u>		
Net profit before taxation and non controlling interest	3,297.47	2,289.11
Adjustments for		
Depreciation and amortization	1,180.35	1,016.95
Allowance for expected credit loss/ bad debts written-off, net	81.79	47.37
Loss on sale of property, plant and equipment, net	0.53	0.14
Foreign exchange (gain) / loss, net unrealized	(47.02)	254.23
Finance costs	300.62	257.92
Interest income	(0.55)	(4.04)
Profit on sale/redemption of investments	(15.91)	(6.58)
Employee stock compensation expense	166.35	93.60
Operating cash flow before changes in working capital	4,963.63	3,948.70
Changes in working capital		
(Increase) / decrease in trade receivables	(34.57)	534.10
Decrease / (increase) in loans and advances and other assets	105.51	(78.85)
(Decrease) / increase in liabilities and provisions	(1,800.22)	231.46
Net changes in working capital	(1,729.28)	686.71
Income taxes paid	(560.64)	(287.05)
Net cash generated from operating activities (A)	2,673.71	4,348.36
<u>Cash flow from investing activities</u>		
Purchase of current investments	(6,782.16)	(4,547.44)
Proceeds from sale of current investments	6,677.23	3,847.77
Interest income received	0.55	4.07
Purchase of property, plant and equipment	(400.52)	(462.88)
Proceeds from sale of property, plant and equipment	119.07	1.47
Proceeds from redemption of debentures	2.00	2.00
Net cash used in investing activities (B)	(383.83)	(1,155.01)
<u>Cash flow from financing activities</u>		
Repayment of short term borrowings	(197.54)	(2,456.22)
Proceeds from long term borrowings	14.83	143.25
Repayment of long term borrowings	(305.75)	(50.52)
Purchase of Non-controlling Interest in a subsidiary	(887.28)	-
Proceeds from issuance of equity shares and share application money	37.32	30.18
Interest paid	(302.44)	(260.91)
Purchase of treasury shares	(305.95)	(508.62)
Repayment of lease liabilities	(508.12)	(560.57)
Net cash used in financing activities (C)	(2,454.93)	(3,663.41)
Net (decrease) in cash and cash equivalents (A+B+C)	(165.05)	(470.06)
Cash and cash equivalents at the beginning of the period	1,373.34	1,907.49
Earmarked balances with banks	20.13	14.77
Foreign exchange gain on translating Cash and cash equivalents	1.78	1.02
Cash and cash equivalents at the end of the period	1,230.20	1,453.22

**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 Standalone Financial Results for the quarter and six months ended 30 September 2021 ('Standalone Financial Results') included in the accompanying 'Statement of Standalone Audited Financial Results for the Quarter and Six Months Ended 30 September 2021' of **FIRSTSOURCE SOLUTIONS LIMITED** (the 'Company'), (the 'Statement'), being submitted by the Company pursuant to the requirements 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 Standalone Financial Results for the quarter and six months ended 30 September 2021:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and
- ii. gives 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 then ended.

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 Auditor's Responsibilities for Audit of the Standalone Financial Results for the quarter and six months ended 30 September 2021 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 (the 'ICAI') together with the

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ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and six months ended 30 September 2021 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 Statement

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors, and has been approved by them for the issuance. The Statement has been compiled from the related audited condensed interim standalone financial statements as at and for the quarter and six months ended 30 September 2021. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and six months ended 30 September 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information 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 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 is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for audit of the Standalone Financial Results for the quarter and six months ended 30 September 2021

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the quarter and six months ended 30 September 2021 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 the 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 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 made by the Board of Directors.
 - Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
 - 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 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

Deloitte Haskins & Sells LLP

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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: 21039826AAAAHN5744)

Mumbai, 10 November 2021

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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
	2021	2021	2020	2021	2020	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	3,967.69	3,946.73	2,902.62	7,914.42	5,320.97	12,851.52
Other operating income, net	112.30	70.82	93.36	183.12	184.59	395.88
Other income, net	81.85	73.40	71.13	155.25	123.79	282.15
Total income	4,161.84	4,090.95	3,067.11	8,252.79	5,629.35	13,529.55
Expenses						
Employee benefits expense	1,998.22	1,983.64	1,419.63	3,981.86	2,678.85	6,306.24
Depreciation and amortisation	217.88	218.67	202.62	436.55	393.67	797.95
Finance costs	52.76	54.96	36.94	107.72	74.29	153.00
Other expenses	621.92	629.78	469.06	1,251.70	874.68	2,019.09
Total expenses	2,890.78	2,887.05	2,128.25	5,777.83	4,021.49	9,276.28
Profit before tax	1,271.06	1,203.90	938.86	2,474.96	1,607.86	4,253.27
Tax expense						
Current tax	179.30	188.86	97.63	368.16	152.01	590.38
Deferred tax	(10.91)	0.36	2.14	(10.55)	9.08	(3.64)
Net profit after tax	1,102.67	1,014.68	839.09	2,117.35	1,446.77	3,666.53
Other comprehensive income, net of taxes	153.34	(23.76)	(62.62)	129.58	96.18	(198.52)
Total comprehensive income	1,256.01	990.92	776.47	2,246.93	1,542.95	3,468.01
Equity						
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,966.51	6,948.20	6,969.91	6,948.20	6,960.99
Other equity						14,759.73
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	1.66	1.49	1.23	3.12	2.11	5.38
-Diluted	1.60	1.44	1.20	3.00	2.06	5.20

Notes to financial results :

1. The audited condensed interim standalone financial statements for the quarter and six months ended September 30, 2021 have been taken on record by the Board of Directors at its meeting held on November 10, 2021. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited condensed interim standalone financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards 34 ('Ind AS 34') 'Interim Financial Reporting', under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereunder.

2. During the six months ended September 30, 2021, 891,610 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 ('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.

4. Standalone statement of cash flows is attached in Annexure I.

Firstsource Solutions Limited

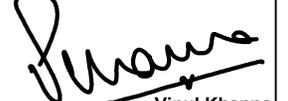
AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

5. Statement of Assets and liabilities (Audited)

(Rs in millions)

Particulars	As at	As at
	September 30	March 31
	2021	2021
ASSETS		
Non-current assets		
Property, plant and equipment	701.33	785.96
Right-of-use assets	2,243.27	1,929.08
Goodwill	40.14	40.14
Other Intangible assets	128.52	158.37
Financial assets		
Investments	12,114.23	12,072.73
Other financial assets	673.62	507.10
Other non-current assets	287.29	357.85
Deferred tax assets (net)	2,739.70	2,674.11
Income tax assets (net)	737.29	727.66
Total non-current assets	19,665.39	19,253.00
Current assets		
Financial assets		
Investments	913.61	793.20
Trade receivables	5,828.62	5,199.86
Cash and cash equivalents	268.34	156.39
Other financial assets	613.70	300.97
Other current assets	596.45	581.81
Total current assets	8,220.72	7,032.23
Total assets	27,886.11	26,285.23
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,969.91	6,960.99
Other equity	16,895.46	14,759.73
Total equity	23,865.37	21,720.72
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	64.37	89.88
Lease liabilities	2,177.14	1,863.27
Provisions for employee benefits	127.90	103.90
Total non-current liabilities	2,369.41	2,057.05
Current liabilities		
Financial liabilities		
Short term and other borrowings	73.37	72.52
Trade payables	437.11	393.46
Lease liabilities	512.16	454.31
Other financial liabilities	321.91	1,196.67
Provisions for employee benefits	125.44	106.09
Other current liabilities	99.94	103.44
Provision for tax (net)	81.40	180.97
Total current liabilities	1,651.33	2,507.46
Total equity and liabilities	27,886.11	26,285.23

By order of the Board
For Firstsource Solutions Limited


Vipul Khanna
Managing Director and CEO

Mumbai, India
November 10, 2021

Firstsource Solutions Limited

Standalone Statement of cash flows (Audited)

Annexure I

(Rs in millions)

Particulars	For the six months ended	
	30 September 2021	30 September 2020
<u>Cash flow from operating activities</u>		
Net Profit before taxation	2,474.96	1,607.86
Adjustments for		
Depreciation and amortisation	436.55	393.67
Loss on sale of Property Plant and Equipment	2.38	-
Foreign exchange (gain) / loss, net unrealised	(8.45)	140.78
Finance costs	107.72	74.29
Interest income	(0.47)	(3.40)
Profit on sale / redemption of investments	(15.39)	(6.58)
Employee stock compensation expense	85.21	21.56
Operating cash flow before changes in working capital	3,082.51	2,228.18
Changes in working capital		
(Increase) in trade receivables	(632.73)	(921.06)
(Increase) in loans and advances and other assets	(184.30)	(69.65)
(Decrease) / Increase in liabilities and provisions	(732.27)	196.51
Net changes in working capital	(1,549.30)	(794.20)
Income taxes paid	(541.71)	(253.08)
Net cash generated from operating activities (A)	991.50	1,180.90
<u>Cash flow from investing activities</u>		
Purchase of current investments	(6,749.67)	(4,547.44)
Proceeds from sale of current investments	6,644.65	3,847.77
Proceeds from redemption of debentures	2.00	2.00
Interest income received	0.47	3.46
Purchase of property plant and equipment	(207.00)	(211.59)
Proceeds from sale of property plant and equipment	25.98	-
Net cash used in investing activities (B)	(283.57)	(905.80)
<u>Cash flow from financing activities</u>		
Proceeds from long term borrowings	14.83	143.26
Proceeds from issuance of equity shares and share application money	37.32	30.18
Repayment of long term borrowings	(39.49)	(30.81)
Interest paid	(107.72)	(74.29)
Purchase of treasury shares	(305.95)	(508.62)
Repayment of lease liabilities	(212.50)	(205.41)
Net cash used in financing activities (C)	(613.51)	(645.69)
Net (decrease) / increase in cash and cash equivalents at the end of the period (A+B+C)	94.42	(370.59)
Cash and cash equivalents at the beginning of the period	156.39	460.93
Foreign exchange (loss) / gain on translating Cash and cash equivalents	(2.60)	1.59
Earmarked Balances with Banks	20.13	14.77
Cash and cash equivalents at the end of the period	268.34	106.70

Firstsource Solutions Reports Second Quarter Fiscal 2022 Results

Revenues of Rs. 14,286 million; Y-o-Y growth of 20.3%

Operating Margin of Rs. 1,791 million; 12.5% of Revenues

PAT of Rs. 1,350 million; 9.5% of Revenues

Mumbai, November 10, 2021: Firstsource Solutions Limited (NSE: FSL, BSE:532809), a global provider of Business Process Management (BPM) services and an RP-Sanjiv Goenka Group company, reported its consolidated financial results for the quarter ended September 30, 2021 according to IndAS.

Financial Highlights for Quarter Ended September 30th, 2021:

- Revenues at Rs. 14,286 million (US\$ 193.0 million), 20.3% Y-o-Y and 18.5% in CC
- Operating Margin (OM) at Rs. 1,791 million or 12.5% of revenues
- Profit After Tax (PAT) at Rs. 1,350 million or 9.5% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 1.96
- 27,835 employees as of September 30th, 2021

Financial Highlights for First Half of Fiscal year end, 2021:

- Revenues at Rs. 29,134 million (US\$ 394.3 million), 29.5% Y-o-Y and 27.9% in CC
- Operating Margin (OM) at Rs. 3,591 million or 12.3% of revenues
- Profit After Tax (PAT) at Rs. 2,695 million or 9.3% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 3.82

Firstsource today announced the acquisition of The StoneHill Group, a leading US-based mortgage services provider. The acquisition provides Firstsource adjacent capabilities in the mortgage value chain and positions it well to leverage the strong demand for residential mortgage loan trading and securitization. The integrated offering enhances Firstsource Solutions' mortgage offerings with sophisticated domain expertise for mortgage quality control (QC) and due diligence, further advancing its vision to provide end-to-end mortgage solutions to both mid and large market customers.

Dr. Sanjiv Goenka, Chairman, RPSG Group and Firstsource Solutions commented, "We witnessed steady and consistent growth during the quarter. Expanding and maturing our digital ecosystem to accelerate transformation for our global clients continues to be a key area of focus. To this end, we added several industry-leading technology partners to our ecosystem during the quarter, significantly strengthening our digital capabilities. I'm also excited about our acquisition of The StoneHill Group – a leading US-based mortgage services provider. We welcome StoneHill associates into our Firstsource family."

Key Business Highlights:

We had a strong second quarter, adding 15 new clients and creating a robust deal pipeline:

- Healthcare business witnessed strong growth, onboarding five new clients, including one of the largest digital deals in the history of the Health Plans business. This ushers in a new chapter for HPHS and Firstsource where we will be accelerating the Health Plan business through platform modernization and delivering best in class business processes. The Provider business launched a strategic transition of all its healthcare solutions to the cloud, fast-tracking innovation, access, security, and flexibility for clients.
- BFS business welcomed five new clients, with Mortgage accounting for four new clients and Europe business adding a wealth management firm to its roster.
- Communications, Media and Technology (CMT) business continued its steady trajectory, securing three new clients during the quarter.
- Diversified Industries business signed two new clients – an Ireland-based utility and a US-based utility.
- Firstsource received the ‘We invest in people – Gold’ accreditation from Investors in People (IIP) for its UK operations for the second consecutive year. Our women leaders from the Mortgage business won coveted industry recognitions – awarded by Mortgage Banker Magazine and HousingWire – for their outstanding leadership and contributions to the industry.

About Firstsource:

Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), is a leading provider of transformational solutions and services spanning the customer lifecycle across Banking and Financial Services, Healthcare, Communications, Media and Technology and other industries. The Company’s ‘Digital First, Digital Now’ approach helps organizations reinvent operations and reimagine business models, enabling them to deliver moments that matter and build competitive advantage. With an established presence in the US, the UK, India and the Philippines, Firstsource acts as a trusted growth partner for over 150 leading global brands, including several Fortune 500 and FTSE 100 companies. (www.firstsource.com)

PRESS RELEASE

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+91 (22) 4215 0210

10th November 2021

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 10th November 2021 for Consolidated and Standalone Financial Results respectively for the quarter and half-year ended 30th September 2021 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