

8th November 2023

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 & half year ended 30th September 2023 (Q2 FY2023-24) and Outcome of the Board Meeting

We wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 8th November 2023, inter-alia approved the Audited Standalone and Consolidated Financial Results for the quarter & half year ended 30th September 2023, copies of which are enclosed herewith along with copies of Auditors' Reports thereon and a copy of Press release relating to the financial results.

The Meeting commenced at 11.30 a.m. and concluded at 12.45 p.m.

We request you to take the above on record.

Thanking you,

For **Firstsource Solutions Limited**

POOJA SURESH | Digitally signed by
POOJA SURESH
NAMBIAR | NAMBIAR

Pooja Nambiar
Company Secretary

Encl.: A/a

Firstsource Solutions Ltd.

5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064 India.
Tel: +91 (22) 6666 0888 | Fax: +91 (22) 6666 08887 | 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 September 30, 2023 included in the accompanying “Statement of Audited Consolidated Financial Results for the Quarter and six months ended September 30, 2023” 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 ended September 30, 2023 (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 September 30, 2023:

(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
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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Subsidiaries:

14. Sourcepoint Fulfillment Services, Inc.
15. PatientMatters LLC
16. Kramer Technologies, LLC
17. Medical Advocacy Services for Healthcare, Inc.
18. Firstsource Employee Benefit Trust
19. The Stonehill Group, Inc.
20. American Recovery Services, Inc.
21. Firstsource Solutions México, S. de R.L. de C.V
22. Firstsource Solutions Jamaica Limited
23. Firstsource BPO South Africa (Pty) Limited (incorporated on September 27, 2023)

Associate:

1. 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 September 30, 2023.

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 September 30, 2023 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 September 30, 2023 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

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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 September 30, 2023. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and six months ended September 30, 2023 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 Boards of Directors either intend to liquidate their respective entities or to cease operations, or have 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 months ended September 30, 2023

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the quarter and six months ended September 30, 2023 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

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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 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

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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 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 audit 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: 23039826BGXSCP2027

Mumbai, November 8, 2023

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

Tel: + 91 22 66660888, web: www.firstsource.com, email: complianceofficer@firstsource.com

(₹ 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
	2023	2023	2022	2023	2022	2023
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	15,417.13	15,266.91	14,735.41	30,684.04	29,259.86	59,859.27
Other operating income, net	(17.43)	25.21	146.90	7.78	346.03	363.91
Other income, net	169.44	17.31	493.72	186.75	557.23	1,308.50
Total income	15,569.14	15,309.43	15,376.03	30,878.57	30,163.12	61,531.68
Expenses						
Employee benefits expense	9,399.98	9,237.44	9,526.81	18,637.42	19,124.14	38,674.81
Depreciation and amortization	653.74	612.51	662.82	1,266.25	1,301.90	2,631.70
Finance costs	260.66	253.70	198.87	514.36	385.53	789.70
Other expenses	3,711.73	3,652.86	3,438.29	7,364.59	6,754.77	13,283.32
Total expenses	14,026.11	13,756.51	13,826.79	27,782.62	27,566.34	55,379.53
Profit before tax and share in net profit / (loss) of associate	1,543.03	1,552.92	1,549.24	3,095.95	2,596.78	6,152.15
Share in net profit of associate	-	-	-	-	-	-
Profit before tax	1,543.03	1,552.92	1,549.24	3,095.95	2,596.78	6,152.15
Tax expense						
Current tax	191.81	189.91	159.43	381.72	294.32	657.63
Deferred tax	86.13	103.16	95.80	189.29	157.58	357.40
Net profit after tax	1,265.09	1,259.85	1,294.01	2,524.94	2,144.88	5,137.12
Other comprehensive income, net of taxes	455.71	61.30	538.59	517.01	1,247.44	1,281.22
Total comprehensive income	1,720.80	1,321.15	1,832.60	3,041.95	3,392.32	6,418.34
Profit attributable to:						
Owners of the equity	1,265.09	1,259.88	1,294.03	2,524.97	2,144.93	5,137.20
Non - controlling interest	-	(0.03)	(0.02)	(0.03)	(0.05)	(0.08)
Total comprehensive income attributable to:	1,265.09	1,259.85	1,294.01	2,524.94	2,144.88	5,137.12
Owners of the equity	1,720.98	1,320.95	1,832.40	3,041.93	3,392.69	6,418.53
Non - controlling interest	(0.18)	0.20	0.20	0.02	(0.37)	(0.19)
	1,720.80	1,321.15	1,832.60	3,041.95	3,392.32	6,418.34
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,969.91	6,969.91	6,969.91	6,969.91	6,969.91
Other Equity						26,698.54
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.85	1.85	1.90	3.70	3.15	7.55
-Diluted	1.80	1.80	1.84	3.60	3.05	7.32

Notes to financial results :

1. The audited condensed interim consolidated financial statements for the quarter and six months ended September 30, 2023 have been taken on record by the Board of Directors at its meeting held on November 8, 2023. 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', as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereunder.

2. Other Income for the quarter ended September 30, 2023 includes ₹ 185.45 on account of changes in the fair value of the liabilities for purchase of non-controlling interest.

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

4. Standalone Information (Audited)

(₹ in millions)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2023	2023	2022	2023	2022	2023
Total income	3,735.87	3,443.43	3,565.62	7,179.30	7,223.28	14,094.44
Net profit before taxation	847.56	747.82	779.97	1,595.38	1,590.32	3,110.55
Net profit after taxation and before other comprehensive income	720.91	648.76	627.14	1,369.67	1,321.23	2,483.42

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

5. Statement of assets and liabilities (Audited)

(₹ in millions)

Particulars	As at	As at
	September 30	March 31
	2023	2023
ASSETS		
Non-current assets		
Property, plant and equipment	1,564.94	1,739.26
Capital work-in-progress	66.62	34.24
Right-of-use assets	5,550.17	4,958.29
Goodwill on consolidation	29,757.60	29,449.76
Other Intangible assets	822.49	1,015.09
Investment in associates accounted for using the equity method	0.07	0.07
Financial assets		
Investments	114.77	115.59
Other financial assets	738.62	488.40
Deferred tax assets	2,880.52	2,948.06
Income tax assets (net)	825.92	786.49
Others non-current assets	2,109.71	1,025.95
Total non-current assets	44,431.43	42,561.20
Current assets		
Financial assets		
Investments	1,276.40	595.50
Trade receivables		
- Billed	8,472.49	6,800.47
- Unbilled	2,995.05	3,584.40
Cash and cash equivalents	895.14	1,515.40
Other balances with banks	32.90	40.14
Other financial assets	122.70	39.80
Other current assets	1,794.78	1,506.78
Total current assets	15,589.46	14,082.49
Total assets	60,020.89	56,643.69
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,969.91	6,969.91
Other equity	29,726.73	26,698.54
Total equity attributable to equity holders of the Company	36,696.64	33,668.45
Non - controlling interest	3.52	3.50
Total equity	36,700.16	33,671.95
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	622.02	1,393.66
Lease liabilities	4,968.66	4,467.15
Other financial liabilities	-	181.38
Provisions	175.96	137.03
Deferred tax liabilities	1,384.72	1,195.98
Total non-current liabilities	7,151.36	7,375.20
Current liabilities		
Financial liabilities		
Borrowings	8,202.48	6,876.10
Trade payables	2,497.60	2,314.46
Lease liabilities	1,352.13	1,194.69
Other financial liabilities	2,183.51	3,555.99
Other current liabilities	1,241.00	828.87
Provisions	567.13	826.43
Provision for income tax (net)	125.52	-
Total current liabilities	16,169.37	15,596.54
Total equity and liabilities	60,020.89	56,643.69

Firstsource Solutions Limited
AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

6. Segment Reporting - Consolidated audited

(₹ in millions)

Particulars	Quarter ended			Six months ended		Year ended
	September 30	June 30	September 30	September 30	September 30	March 31
	2023	2023	2022	2023	2022	2023
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Banking and Financial Services	6,290.87	6,233.66	6,392.40	12,524.53	13,118.09	25,652.81
b) Healthcare	5,046.02	4,976.85	5,084.44	10,022.87	9,750.93	20,063.14
c) Communication, Media and Technology	3,273.24	3,323.72	2,960.64	6,596.96	5,887.43	12,644.53
d) Diverse Industries	807.00	732.68	297.93	1,539.68	503.41	1,498.79
Total	15,417.13	15,266.91	14,735.41	30,684.04	29,259.86	59,859.27
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	15,417.13	15,266.91	14,735.41	30,684.04	29,259.86	59,859.27
Segment results before tax and finance costs						
a) Banking and Financial Services	892.79	845.26	528.53	1,738.05	1,335.97	2,477.39
b) Healthcare	641.33	924.35	927.81	1,565.68	1,625.12	3,537.03
c) Communication, Media and Technology	616.13	681.58	483.51	1,297.71	997.03	2,312.97
d) Diverse Industries	118.13	153.41	46.38	271.54	63.88	253.97
Total	2,268.38	2,604.60	1,986.23	4,872.98	4,022.00	8,581.36
i) Finance costs	(260.66)	(253.70)	(198.87)	(514.36)	(385.53)	(789.70)
ii) Other unallocable expenditure net of unallocable income	(464.69)	(797.98)	(238.12)	(1,262.67)	(1,039.69)	(1,639.51)
iii) Share in net profit / (loss) of associate	-	-	-	-	-	-
Profit before tax and other comprehensive income	1,543.03	1,552.92	1,549.24	3,095.95	2,596.78	6,152.15

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
RITESH MOHAN IDNANI
Digitally signed by RITESH MOHAN IDNANI
Date: 2023.11.08 12:47:59 +05'30'

Mumbai, India
November 8, 2023

Ritesh Mohan Idnani
Managing Director and CEO

Firstsource Solutions Limited

Consolidated statement of cash flows (Audited)

Annexure I

(₹ in millions)

Particulars	Six months ended	
	September 30	September 30
	2023	2022
<u>Cash flow from operating activities</u>		
Net profit before taxation and non controlling interest	3,095.95	2,596.78
Adjustments for		
Depreciation and amortization	1,266.25	1,301.90
Allowance for expected credit loss/ bad debts written-off, net	212.31	110.78
Loss on sale of property, plant and equipment, net	31.19	10.58
Foreign exchange (gain), net unrealized	(44.25)	(869.57)
Finance costs	514.36	385.53
Interest income	(1.33)	(0.82)
Adoption of amendment to Ind AS 37	(211.17)	(380.83)
Profit on sale/redemption of investments	(26.51)	(21.25)
Fair value and other adjustments, net	(185.47)	(601.21)
Employee stock compensation expense	(38.69)	114.20
Operating cash flow before changes in working capital	4,612.64	2,646.09
Changes in working capital		
(Increase) / decrease in trade receivables	(1,294.98)	649.65
(Increase) / decrease in loans and advances and other assets	(1,587.33)	418.23
Increase in liabilities and provisions	123.76	454.49
Net changes in working capital	(2,758.55)	1,522.37
Income taxes paid	(295.63)	(355.34)
Net cash generated from operating activities (A)	1,558.46	3,813.12
<u>Cash flow from investing activities</u>		
Purchase of current investments	(7,005.00)	(6,064.85)
Proceeds from sale of current investments	6,350.61	6,239.64
Interest income received	1.33	0.82
Purchase of property, plant and equipment	(296.32)	(283.70)
Proceeds from sale of property, plant and equipment	0.20	13.72
Earmarked balances with banks	7.24	43.88
Net cash (used in) investing activities (B)	(941.94)	(50.49)
<u>Cash flow from financing activities</u>		
Proceeds / (Repayment) from short term borrowings	1,324.63	(1,772.26)
Proceeds from long term borrowings	20.85	243.84
Repayment of long term borrowings	(790.74)	(41.33)
Interest paid	(571.21)	(389.27)
Purchase of treasury shares, net	24.95	(173.44)
Purchase of Non-controlling Interest in a subsidiary	(583.32)	(276.40)
Repayment of lease liabilities	(667.52)	(771.06)
Net cash (used in) financing activities (C)	(1,242.36)	(3,179.92)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(625.84)	582.71
Cash and cash equivalents at the beginning of the period	1,515.40	828.20
Foreign exchange gain on translating Cash and cash equivalents	5.58	3.32
Cash and cash equivalents at the end of the period	895.14	1,414.23

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

TO THE BOARD OF DIRECTORS OF FIRTSOURCE SOLUTIONS LIMITED

Opinion

We have audited the Standalone Financial Results for the quarter and six months ended September 30, 2023 ("Standalone Financial Results") included in the accompanying Statement of Standalone Audited Financial Results for the Quarter and Six months Ended September 30, 2023 of **FIRTSOURCE 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 September 30, 2023:

- 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 then ended.

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 Standalone Financial Results for the quarter and six months ended September 30, 2023 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 ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and six months ended September 30, 2023 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

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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 September 30, 2023. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and six months ended September 30, 2023 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 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 intends 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 audit of the Standalone Financial Results for the quarter and six months ended September 30, 2023

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the quarter and six months ended September 30, 2023 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.

Deloitte Haskins & Sells LLP

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 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.

**Deloitte
Haskins & Sells LLP**

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: 23039826BGXSCQ7867

Mumbai, November 8, 2023

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

CIN: L64202MH2001PLC134147

Registered office: 5th Floor, Paradigm 'B' wing, Mindspace, Link Road, Malad (West), Mumbai 400 064

Tel: + 91 22 66660888 web: www.firstsource.com, email:complianceofficer@firstsource.com

(₹ 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
	2023 (Audited)	2023 (Audited)	2022 (Audited)	2023 (Audited)	2022 (Audited)	2023 (Audited)
Income						
Revenue from operations	3,641.96	3,336.61	3,328.76	6,978.57	6,711.42	13,424.77
Other operating income, net	0.82	25.19	181.46	26.01	388.26	332.23
Other income, net	93.09	81.63	55.40	174.72	123.60	337.44
Total income	3,735.87	3,443.43	3,565.62	7,179.30	7,223.28	14,094.44
Expenses						
Employee benefits expense	1,895.29	1,692.02	1,780.51	3,587.31	3,658.89	7,121.33
Depreciation and amortization	218.27	199.45	223.02	417.72	457.00	888.38
Finance costs	39.87	30.35	42.31	70.22	86.10	149.41
Other expenses	734.88	773.79	739.81	1,508.67	1,430.97	2,824.77
Total expenses	2,888.31	2,695.61	2,785.65	5,583.92	5,632.96	10,983.89
Profit before tax	847.56	747.82	779.97	1,595.38	1,590.32	3,110.55
Tax expense						
Current tax	145.09	136.01	126.51	281.10	253.77	564.66
Deferred tax	(18.44)	(36.95)	26.32	(55.39)	15.32	62.47
Net profit after tax	720.91	648.76	627.14	1,369.67	1,321.23	2,483.42
Other comprehensive income, net of taxes	145.15	124.83	(149.62)	269.98	(280.03)	(342.04)
Total comprehensive income	866.06	773.59	477.52	1,639.65	1,041.20	2,141.38
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,969.91	6,969.91	6,969.91	6,969.91	6,969.91
Other equity						16,073.61
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	1.06	0.95	0.92	2.01	1.94	3.65
-Diluted	1.03	0.93	0.89	1.95	1.88	3.54

Notes to financial results :

1. The audited condensed interim standalone financial statements for the quarter and six months ended September 30, 2023 have been taken on record by the Board of Directors at its meeting held on November 8, 2023. 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', as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereunder.

2. 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.

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

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2023

4. Statement of Assets and liabilities (Audited)

(₹ in millions)

Particulars	As at	As at
	September 30	March 31
	2023	2023
ASSETS		
Non-current assets		
Property, plant and equipment	753.92	713.75
Capital work-in-progress	66.61	34.24
Right-of-use assets	2,180.58	1,221.98
Goodwill	40.14	40.14
Other Intangible assets	70.01	104.57
Financial assets		
Investments	12,345.95	12,323.62
Other financial assets	582.40	335.17
Other non-current assets	34.64	40.04
Deferred tax assets (net)	2,805.54	2,804.66
Income tax assets (net)	755.44	762.10
Total non-current assets	19,635.23	18,380.27
Current assets		
Financial assets		
Investments	1,276.40	560.48
Trade receivables		
- Billed	6,833.44	6,177.26
- Unbilled	121.01	197.33
Cash and cash equivalents	171.07	174.61
Other balances with banks	32.90	40.14
Other financial assets	111.26	38.07
Other current assets	691.02	623.82
Total current assets	9,237.10	7,811.71
Total assets	28,872.33	26,191.98
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,969.91	6,969.91
Other equity	17,699.52	16,073.61
Total equity	24,669.43	23,043.52
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	40.71	37.85
Lease liabilities	1,977.28	1,127.36
Other financial liabilities	-	32.32
Provisions for employee benefits	175.96	137.03
Total non-current liabilities	2,193.95	1,334.56
Current liabilities		
Financial liabilities		
Borrowings	28.98	43.85
Trade payables	715.18	528.30
Lease liabilities	515.92	369.79
Other financial liabilities	468.56	640.03
Provisions for employee benefits	140.25	116.25
Other current liabilities	104.06	115.68
Provision for income tax (net)	36.00	-
Total current liabilities	2,008.95	1,813.90
Total equity and liabilities	28,872.33	26,191.98

By order of the Board
For Firstsource Solutions Limited

RITESH MOHAN IDNANI
Digitally signed by
RITESH MOHAN IDNANI
Date: 2023.11.08
12:48:55 +05'30'

Ritesh Mohan Idnani
Managing Director and CEO

Mumbai, India
November 8, 2023

Firstsource Solutions Limited

Standalone Statement of cash flows (Audited)

Annexure I

(₹ in millions)

Particulars	Six months ended	
	September 30	September 30
	2023	2022
<u>Cash flow from operating activities</u>		
Net Profit before taxation	1,595.38	1,590.32
Adjustments for		
Depreciation and amortization	417.72	457.00
Allowance for expected credit loss / bad debt written off, net	0.23	3.16
(Profit) / loss on sale of Property Plant and Equipment	(0.13)	1.56
Foreign exchange (gain) , net unrealised	(55.86)	(108.93)
Finance costs	70.22	86.10
Interest income	(0.59)	(0.75)
Profit on sale / redemption of investments	(25.75)	(20.47)
Provision on diminution of value of Investment	7.63	-
Employee stock compensation expense	15.59	42.27
Operating cash flow before changes in working capital	2,024.44	2,050.26
Changes in working capital		
(Increase) in trade receivables	(521.53)	(2,933.73)
(Increase) / decrease in loans and advances and other assets	(227.30)	193.99
Increase in liabilities and provisions	85.77	620.79
Net changes in working capital	(663.06)	(2,118.95)
Income taxes paid	(238.44)	(300.45)
Net cash generated from / (used in) operating activities (A)	1,122.94	(369.14)
<u>Cash flow from investing activities</u>		
Purchase of current investments	(6,969.72)	(6,064.85)
Proceeds from sale of current investments	6,279.55	6,239.63
Interest income received	0.59	0.75
Purchase of property plant and equipment	(205.15)	(88.65)
Proceeds from sale of property plant and equipment	0.13	3.95
Earmarked funds placed with banks	7.24	43.88
Net cash (used in) / generated from investing activities (B)	(887.36)	134.71
<u>Cash flow from financing activities</u>		
Proceeds from long term borrowings	20.85	21.74
Proceeds from short term borrowings	-	745.57
Repayment of long term borrowings	(32.86)	(41.33)
Interest paid	(70.22)	(86.10)
Purchase of treasury shares, net	24.95	(173.44)
Repayment of lease liabilities	(180.55)	(258.31)
Net cash (used in) / generated from financing activities (C)	(237.83)	208.13
Net (decrease) in cash and cash equivalents at the end of the period (A+B+C)	(2.25)	(26.30)
Cash and cash equivalents at the beginning of the period	174.61	189.23
Foreign exchange (loss) on translating Cash and cash equivalents	(1.29)	(2.11)
Cash and cash equivalents at the end of the period	171.07	160.82

Firstsource Solutions Reports Second Quarter Fiscal 2024 Results

Highest deal wins in the last four quarters; 1,569 net headcount addition
EBIT up 30% YoY; Diluted EPS of ₹ 1.80

Mumbai, November 8, 2023: 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, 2023, according to IndAS.

Financial highlights for quarter ended September 30, 2023

- Revenues at ₹ 15,400 million (US\$ 186 million), up 3.5% YoY
 - EBIT at ₹ 1,634* million or 10.6% of revenues, up 30.3% YoY; Normalised EBIT margin at 11.2%
 - Profit After Tax (PAT) at ₹ 1,265 million or 8.2% of revenues, down 2.2% YoY
 - Diluted Earnings Per Share (EPS) of ₹ 1.80
- *Includes one-time charges

Financial highlights for half year ended September 30, 2023

- Revenues at ₹ 30,692 million (US\$ 372 million), up 3.7% YoY
 - EBIT at ₹ 3,424* million or 11.2% of revenues, up 41.2% YoY; Normalised EBIT margin at 11.5%
 - Profit After Tax (PAT) at ₹ 2,525 million or 8.2% of revenues, up 17.7% YoY
 - Diluted Earnings Per Share (EPS) of ₹ 3.60
- *Includes one-time charges

Dr. Sanjiv Goenka, Chairman - RPSG Group and Firstsource Solutions, commented, “Firstsource had a stable second quarter in FY24, with strong uptake of our digital and new-tech solutions across clients. Our digital-first ethos has driven substantial efficiencies, both for clients seeking cost optimization and revenue growth. The quarter also saw us realigning strategically to better address our long-term goals, reformulating for sustained success in the face of ever-changing business environments. We remain confident in our people-centric approach, emphasizing a balance between profitability and sustainability. Leveraging our diverse geographic presence, we're equipped to support our clients as they build for the future.”

Key Business Highlights:

In Q2FY24, our business remained steady with 12 key wins across verticals and increased adoption of digital and new—tech solutions. We continue to participate actively in both the cost optimization and process transformation agendas of our clients.

- Q2 saw us onboard 7 new clients in the BFS portfolio, notably including a major US reverse mortgage firm for comprehensive operations and technology services. Our UK presence expanded, marking 20 years of successful partnership with a key UK banking client. Diversification within the consumer lending chain brought success in reverse mortgage, auto finance, and Fintech. We intensified our focus on Risk & Compliance and augmented our Collections footprint through digital collections and entry into new industry verticals beyond finance. Moreover, we expanded our capabilities in Mexico, and ventured into collaborating with a significant Nordic bank for their collections business.

PRESS RELEASE

- The Healthcare business continued to be driven by cost optimization and efficiency, enabling us to leverage our geographical presence to build offshore solutions, adding 4 new clients. We further strengthened a multi-decade relationship with one of the largest managed healthcare and insurance companies in the US with additional business for providing digital intake and digital engagement services. Additionally, we're expanding our BPaaS offerings through collaborative efforts with technology service providers in the market.
- In Communications, Media, and Tech we expanded services for a key UK client and significantly strengthened our relationship with an EdTech client. This involved not just refining processes but also implementing leading-edge technology for an end-to-end DECX demonstration. Additionally, we established a state-of-the-art Global Capability Centre to offer diverse services for this client, including technology, assessment operations, business intelligence, product management, and finance operations. We also leveraged GenAI to enhance customer experience (CX) and create Firestarter kits for easier applications. Addressing the prevalent need for cost optimization, our Tech portfolio is developing GenAI solutions to drive business transformation. We onboarded 1 new client in Q2.
- Our Diversified portfolio is seeing healthy traction across Europe with strong demand in the energy market.
- In continuation of our FirstSenseAI platform, we developed a sandbox ecosystem called Firstsense.AI Studio for clients to experiment and evaluate AI frameworks.
- Recognitions:
 - Positioned as a 'Leader' and a 'Star Performer' in Everest Group Healthcare Payer Operations PEAK Matrix® Assessment 2023
 - Identified as a Leader in the 2023 ISG Provider Lens™ Customer Experience Services Report for Europe
 - Positioned as a 'Major Contender' and a 'Star Performer' in Everest Group Banking Operations – Services PEAK Matrix® Assessment 2023
 - Gold for Excellence in Leadership Development by Brandon Hall 2023 HCM Awards
 - Bronze for Best Advancement in crafting an exceptional Learning and Development strategy by Brandon Hall 2023 HCM Awards

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 Healthcare, Banking and Financial Services, 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, Mexico, 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)

Media Contact

Madhavi.Behl@firstsource.com

Investors Contact

Pankaj.Kapoor@firstsource.com

8th November 2023

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

**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 8th November 2023 for Consolidated and Standalone Financial Results respectively for the quarter & half year ended 30th September 2023 are with unmodified opinion.

Please take the same on your record.

Thanking you,

For **Firstsource Solutions Limited**

POOJA SURESH Digitally signed by
POOJA SURESH
NAMBIAR NAMBIAR

Pooja Nambiar
Company Secretary

Firstsource Solutions Ltd.

5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064 India.
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(CIN: L64202MH2001PLC134147)