

11th May 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 financial year ended 31st March 2021 (Q4 FY2020-21) 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. 11th May 2021, inter-alia approved the following:-

1. The Audited Standalone and Consolidated financial Results for the quarter and financial year ended 31st March 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.
2. Appointment of Mr. Anjani K. Agrawal (DIN 08579812) as an Additional Director (Non-Executive, Independent Director, not liable to retire by rotation) with effect from 11th May 2021, subject to the approval of members in the ensuing Annual General Meeting to be held for FY 2020-21

The Meeting commenced at 11.00 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

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF QUARTERLY AND ANNUAL
CONSOLIDATED FINANCIAL RESULTS**

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

Opinion

We have audited the Consolidated Financial Results for the quarter and year ended 31 March 2021 included in the accompanying 'Statement of Consolidated Audited Financial Results for the Quarter and Year Ended 31 March 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 year ended 31 March 2021 (the 'Statement'), being submitted by the Parent 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, and based on the consideration of the unaudited financial information of the associate referred to in Other Matters section below, the Consolidated Financial Results for the quarter and year ended 31 March 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.
14. Sourcepoint Fulfillment Services, Inc.
15. PatientMatters LLC (acquired on 22 December 2020)

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16. Kramer Technologies, LLC (acquired on 22 December 2020)
17. Medical Advocacy Services for Healthcare, Inc. (acquired on 22 December 2020)
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 Standards ('Ind AS') 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 year ended 31 March 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 year ended 31 March 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 year ended 31 March 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 consolidated financial statements for the year ended 31 March 2021. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended 31 March 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, 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.

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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 this Consolidated Financial Results by the Directors of the Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Boards of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards 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 associates.

Auditor's Responsibilities for audit of the Consolidated Financial Results for the quarter and year ended 31 March 2021

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the quarter and year ended 31 March 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 this 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.

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- 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 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 Group and its associates 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 included in the Consolidated Financial Results of which we are the independent auditors.

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

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

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

Other Matters

The consolidated financial results also includes the Group's share of profit after tax of ₹Nil million (less than ₹0.01 million) and ₹Nil million (less than ₹0.01 million) for the quarter and year ended 31 March 2021 respectively and total comprehensive income of ₹Nil million (less than ₹0.01 million) and ₹Nil million (less than ₹0.01 million) for the quarter and year ended 31 March 2021 respectively, as considered in the Statement, in respect of an associate, whose financial information has not been audited by us. The financial information is unaudited and has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors of the Company, this financial information is not material to the Group.

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

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



SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
(UDIN: 21039826AAAADV1071)

Place: Mumbai
Date: 11 May 2021

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 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			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2021	2020	2020	2021	2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income					
Revenue from operations	14,496.28	13,510.13	10,672.63	50,326.87	40,501.92
Other operating income, net	132.15	142.33	131.85	452.93	484.22
Other income, net	(19.46)	12.51	5.94	12.66	88.43
Total income	14,608.97	13,664.97	10,810.42	50,792.46	41,074.57
Expenses					
Employee benefits expense	10,056.62	9,502.58	7,349.80	34,672.28	27,735.33
Depreciation and amortisation	533.53	513.04	473.72	2,063.52	1,852.00
Finance costs	137.21	127.17	142.47	522.30	583.21
Other expenses	2,229.37	2,046.40	1,813.43	8,065.47	6,961.93
Total expenses	12,956.73	12,189.19	9,779.42	45,323.57	37,132.47
Profit before tax, exceptional item and share in net profit / (loss) of associate	1,652.24	1,475.78	1,031.00	5,468.89	3,942.10
Exceptional item (Expense, refer note 6)	1,098.79	-	-	1,150.55	-
Profit before tax and share in net (loss) of associate	553.45	1,475.78	1,031.00	4,318.34	3,942.10
Share in net profit of associate	-	-	-	-	0.01
Profit before tax	553.45	1,475.78	1,031.00	4,318.34	3,942.11
Tax expense					
Current tax	221.78	226.94	28.55	619.59	282.35
Deferred tax	(135.08)	38.37	86.67	81.98	262.91
Net profit after tax	466.75	1,210.47	915.78	3,616.77	3,396.85
Other comprehensive income, net of taxes	(51.55)	(449.89)	1,170.69	(878.74)	1,190.47
Total comprehensive income	415.20	760.58	2,086.47	2,738.03	4,587.32
Profit attributable to:					
Owners of the equity	466.76	1,210.48	915.77	3,616.86	3,396.86
Non - controlling interest	(0.01)	(0.01)	0.01	(0.09)	(0.01)
Total comprehensive income attributable to:	466.75	1,210.47	915.78	3,616.77	3,396.85
Owners of the equity	415.59	760.65	2,086.41	2,738.52	4,587.33
Non - controlling interest	(0.39)	(0.07)	0.06	(0.49)	(0.01)
Total comprehensive income attributable to:	415.20	760.58	2,086.47	2,738.03	4,587.32
Paid-up equity share capital (Face value per share of Rs 10)	6,960.99	6,955.54	6,938.27	6,960.99	6,938.27
Other Equity				21,031.88	20,715.55
Earning per share (Rs) : (Face value per share of Rs 10)					
-Basic	0.69	1.78	1.32	5.31	4.90
-Diluted	0.66	1.72	1.31	5.13	4.89

Notes to financial results :

- The audited consolidated financial statements for the quarter and year ended March 31, 2021 have been taken on record by the Board of Directors at its meeting held on May 11, 2021. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited consolidated financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards 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.
- During the year ended March 31, 2021, 2,272,436 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- The Group has considered the possible effects that may result from the pandemic relating to COVID-19, including but not limited to its assessment of liquidity and going concern assumption, carrying amounts of receivables, unbilled revenues, goodwill and intangible assets, impact on leases and effectiveness of its hedging relationships. Based on current indicators of future global economic conditions and internal sources of available information, the Group expects the carrying amount of the assets will be recovered, net of provisions established. The impact of the pandemic related to COVID-19 may be different from that presently estimated and would be recognised in the financial statements when material changes to economic conditions arise or are anticipated.
- The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits has been notified on September 28, 2020. The effective date on which the Code becomes effective is yet to be notified. The Group will assess the impact of the Code when it becomes effective and will record any related impact in the period in which the Code becomes effective.
- The Company through its wholly owned subsidiary Firstsource Solutions USA, LLC ('FS US') has acquired 100% equity interest and control of the businesses of PatientMatters, LLC, a Delaware limited liability Company, including its two wholly owned subsidiaries Kramer Technologies, LLC and Medical Advocacy Services for Healthcare, Inc. ('PatientMatters') for a purchase consideration of US\$ 13 mn (Rs 950 mn) on December 22, 2020. Of the purchase consideration paid, Rs. 468.84 mn has been allocated to the fair value of identified net assets, Rs. 121.59 mn has been allocated to intangible assets (net of deferred tax) and Rs. 359.57 mn has been allocated to Goodwill.
- The Group, through its subsidiary viz, Sourcepoint Inc. ('Sourcepoint'), has a strategic partnership agreement with a leading mortgages business group ('Counterparty') under which Sourcepoint will be a preferred vendor for business process management services. As per the terms of the agreement, in exchange of the revenues realized through the Counterparty by Sourcepoint, the Counterparty would be entitled to an option to purchase a proportion of the equity of Sourcepoint at a fair value as on the date of grant. The agreement entitles the Counterparty to seek a buyback of its equity from Sourcepoint under certain circumstances.

As at March 31, 2021, the fair value of the liability of the option has increased considerably on account of significant increase in the valuation of Sourcepoint. Also, the Counterparty's entitlement to option has increased basis the revenues realized by Sourcepoint, as per the terms of the agreement. The Counterparty is also negotiating for an early exercise of its entitlement. As a result, an amount of Rs 1,150.55 mn. has been charged to the Statement of Profit and Loss for the year ended March 31, 2021 (Rs 1,098.79 mn. for the quarter ended March 31, 2021). This has been classified as an exceptional item.
- Consolidated statement of cash flows is attached in Annexure I.

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(Rs in millions)

8. Standalone Information (Audited)

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2021	2020	2020	2021	2020
Total income	4,142.85	3,757.35	2,677.36	13,529.55	9,707.12
Net profit before taxation	1,378.47	1,266.94	610.81	4,253.27	2,119.92
Net profit after taxation and before other comprehensive income	1,148.06	1,071.70	510.00	3,666.53	1,820.15

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

(Rs in millions)

Particulars	As at	As at
	March 31	March 31
	2021	2020
ASSETS		
Non-current assets		
Property, plant and equipment	2,354.10	1,411.73
Right-of-use assets	5,132.94	4,472.92
Goodwill on consolidation	21,947.63	22,323.56
Other Intangible assets	540.91	500.35
Investment in associates accounted for using the equity method	0.07	0.07
Financial assets		
Investments	117.38	122.09
Other financial assets	584.46	724.71
Deferred tax assets	2,691.89	2,511.30
Income tax assets (net)	822.49	783.64
Others non-current assets	1,792.18	1,976.90
Total non-current assets	35,984.05	34,827.27
Current assets		
Financial assets		
Investments	825.70	-
Trade receivables	5,767.38	5,567.18
Cash and cash equivalents	1,373.34	1,907.49
Other financial assets	2,814.85	2,158.28
Other current assets	1,531.60	1,410.29
Total current assets	12,312.87	11,043.24
Total assets	48,296.92	45,870.51
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,960.99	6,938.27
Other equity	21,031.88	20,715.55
Total equity attributable to equity holders of the Company	27,992.87	27,653.82
Non - controlling interest	5.39	5.88
Total equity	27,998.26	27,659.70
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	845.52	27.76
Lease liabilities	4,863.76	4,053.38
Provisions for employee benefits	103.90	85.88
Deferred tax liabilities	469.98	734.95
Total non-current liabilities	6,283.16	4,901.97
Current liabilities		
Financial liabilities		
Short-term and other borrowings	4,367.13	8,341.42
Trade payables	2,788.03	952.81
Lease liabilities	1,034.67	1,069.77
Other financial liabilities	2,865.54	1,828.07
Other current liabilities	2,136.54	655.99
Provisions for employee benefits	642.62	401.40
Provision for tax (net)	180.97	59.38
Total current liabilities	14,015.50	13,308.84
Total equity and liabilities	48,296.92	45,870.51

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

10. Segment Reporting - Consolidated audited

(Rs in millions)

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2021	2020	2020	2021	2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue					
a) Banking and Financial Services	7,575.39	7,023.13	4,568.33	26,109.21	16,418.06
b) Healthcare	3,599.58	3,412.32	3,340.01	13,354.35	13,310.56
c) Communication, Media and Technology	3,009.42	2,770.73	2,443.53	9,704.75	9,493.90
d) Diverse Industries	311.89	303.95	320.76	1,158.56	1,279.40
Total	14,496.28	13,510.13	10,672.63	50,326.87	40,501.92
Less: Inter-segment revenue	-	-	-	-	-
Net segment revenue	14,496.28	13,510.13	10,672.63	50,326.87	40,501.92
Segment results before tax and finance costs					
a) Banking and Financial Services	1,373.06	1,188.10	662.93	4,653.40	2,419.42
b) Healthcare	575.29	580.08	703.66	2,113.54	2,693.98
c) Communication, Media and Technology	571.92	351.21	204.96	1,411.79	915.42
d) Diverse Industries	72.57	22.32	8.62	114.37	44.07
Total	2,592.84	2,141.71	1,580.17	8,293.10	6,072.89
i) Finance costs	(137.21)	(127.17)	(142.47)	(522.30)	(583.21)
ii) Other unallocable expenditure net of unallocable income*	(1,902.18)	(538.76)	(406.70)	(3,452.46)	(1,547.58)
iii) Share in net profit / (loss) of associate	-	-	-	-	0.01
Profit before tax and other comprehensive income	553.45	1,475.78	1,031.00	4,318.34	3,942.11

*includes exceptional item (Refer note 6)

Note on segment information

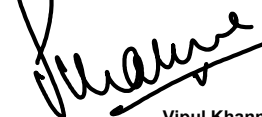
Business segments

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 and revised the manner in which the Group views the business risks and returns and monitors its operations. Accordingly, the Group has identified the reorganised business segments as reportable segments, which comprise: Banking and Financial Services (BFS), Healthcare, Communication, Media and Technology and Diverse Industries. Following the change of the reportable segment, the Group has restated the segment information for the earlier periods reported as required by Ind AS 108 'Operating Segments'.

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

Managing Director and CEO

Mumbai, India

May 11, 2021

Firstsource Solutions Limited

Consolidated statement of cash flows

Annexure I

(Rs. In millions)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
<u>Cash flow from operating activities</u>		
Net profit before taxation and non controlling interest	4,318.34	3,942.11
Adjustments for		
Depreciation and amortization	2,063.52	1,852.00
Allowance for expected credit loss/ bad debts written-off, net	32.75	58.98
Loss on sale of property, plant and equipment, net	3.82	3.04
Foreign exchange loss/(gain), net unrealized	434.67	(404.25)
Finance costs	522.30	583.21
Interest income	(6.98)	(11.36)
Profit on sale/redemption of investments	(18.99)	(59.64)
Employee stock compensation expense	208.88	29.03
Operating cash flow before changes in working capital	7,558.31	5,993.12
Changes in working capital		
Increase in trade receivables	(144.50)	(1,574.29)
Increase in loans and advances and other assets	(625.91)	(410.63)
Increase in liabilities and provisions	3,665.86	631.03
Net changes in working capital	2,895.45	(1,353.89)
Income taxes paid	(698.09)	(535.19)
Net cash generated from operating activities (A)	9,755.67	4,104.04
<u>Cash flow from investing activities</u>		
Purchase of current investments	(12,615.58)	(19,405.10)
Proceeds from sale of investment in mutual funds	11,808.87	20,682.24
Acquisition of PatientMatters LLC and its subsidiaries	(950.00)	-
Interest income received	7.22	11.42
Purchase of property, plant and equipment	(1,730.97)	(947.63)
Proceeds from sale of property, plant and equipment	35.46	1.93
Capital advances given for land and others	-	(186.38)
Earmarked balances with banks	(57.18)	(15.26)
Proceeds from redemption of debentures	6.00	2.00
Net cash used in investing activities (B)	(3,496.18)	143.22
<u>Cash flow from financing activities</u>		
(Repayment) / Proceeds from short term borrowings	(4,199.97)	2,605.66
Proceeds from long term borrowings	1,621.91	33.43
Repayment of long term borrowings	(94.28)	(111.81)
Proceeds from issuance of equity shares and share application money	82.15	76.68
Interest paid	(514.28)	(584.49)
Purchase of treasury shares	(652.81)	(89.35)
Payment of lease liabilities	(1,091.93)	(936.11)
Dividend paid (net)	(2,037.69)	(3,762.03)
Net cash used in financing activities (C)	(6,886.90)	(2,768.02)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(627.41)	1,479.24
Cash and cash equivalents at the beginning of the year	1,907.49	473.84
Earmarked balances with banks	57.18	15.26
Foreign exchange gain / (loss) on translating Cash and cash equivalents	36.08	(60.85)
Cash and cash equivalents at the end of the year	1,373.34	1,907.49

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF QUARTERLY AND ANNUAL
STANDALONE FINANCIAL RESULTS**

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

Opinion

We have audited the Standalone Financial Results for the quarter and year ended 31 March 2021 ('Standalone Financial Results') included in the accompanying 'Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31 March 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 year ended 31 March 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 Standards ('Ind AS') 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 year ended 31 March 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 Standalone Financial Results for the quarter and year ended 31 March 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 ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31 March 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

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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 standalone financial statements for the year ended 31 March 2021. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 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 Indian Accounting Standards ('Ind AS') 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.

Auditor's Responsibilities for audit of the Standalone Financial Results for the quarter and year ended 31 March 2021

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the quarter and year ended 31 March 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 this 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:

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- 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.

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.

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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: 21039826AAAADW3168)

Place: Mumbai
Date: 11 May 2021

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 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			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2021 (Audited)	2020 (Audited)	2020 (Audited)	2021 (Audited)	2020 (Audited)
Income					
Revenue from operations	3,949.23	3,581.32	2,502.14	12,851.52	8,962.37
Other operating income, net	108.05	103.24	96.88	395.88	436.73
Other income, net	85.57	72.79	78.34	282.15	308.02
Total income	4,142.85	3,757.35	2,677.36	13,529.55	9,707.12
Expenses					
Employee benefits expense	1,909.37	1,718.02	1,316.57	6,306.24	4,808.59
Depreciation and amortisation	205.24	199.04	190.82	797.95	705.84
Finance costs	41.84	36.87	37.75	153.00	156.77
Other expenses	607.93	536.48	521.41	2,019.09	1,916.00
Total expenses	2,764.38	2,490.41	2,066.55	9,276.28	7,587.20
Profit before tax	1,378.47	1,266.94	610.81	4,253.27	2,119.92
Tax expense					
Current tax	220.64	217.73	85.82	590.38	302.22
Deferred tax	9.77	(22.49)	14.99	(3.64)	(2.45)
Net profit after tax	1,148.06	1,071.70	510.00	3,666.53	1,820.15
Other comprehensive income, net of taxes	(62.36)	(232.34)	108.43	(198.52)	(40.52)
Total comprehensive income	1,085.70	839.36	618.43	3,468.01	1,779.63
Paid-up equity share capital (Face value per share of Rs 10)	6,960.99	6,955.54	6,938.27	6,960.99	6,938.27
Other equity				14,759.73	13,713.91
Earning per share (Rs): (Face value per share of Rs 10)					
-Basic	1.69	1.58	0.74	5.38	2.63
-Diluted	1.63	1.53	0.73	5.20	2.62

Notes to financial results :

1. The audited standalone financial statements for the quarter and year ended March 31, 2021 have been taken on record by the Board of Directors at its meeting held on May 11, 2021. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited standalone financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards 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 year ended March 31, 2021, 2,272,436 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. The Company has considered the possible effects that may result from the pandemic relating to COVID-19, including but not limited to its assessment of liquidity and going concern assumption, carrying amounts of receivables, unbilled revenues, goodwill and intangible assets, impact on leases and effectiveness of its hedging relationships. Based on current indicators of future global economic conditions and internal sources of available information, the Company expects the carrying amount of the assets will be recovered, net of provisions established. The impact of the pandemic related to COVID-19 may be different from that presently estimated and would be recognised in the financial statements when material changes to economic conditions arise or are anticipated.

4. The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits has been notified on September 28, 2020. The effective date on which the Code becomes effective is yet to be notified. The Company will assess the impact of the Code when it becomes effective and will record any related impact in the period in which the Code becomes effective.

5. 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.

6. Statement of cash flows is attached in Annexure I.

Firstsource Solutions Limited
AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

7. Statement of Assets and liabilities (Audited)

(Rs in millions)

Particulars	As at	As at
	March 31	March 31
	2021	2020
ASSETS		
Non-current assets		
Property, plant and equipment	785.96	525.77
Right-of-use assets	1,929.08	1,775.61
Goodwill	40.14	40.14
Other Intangible assets	158.37	145.37
Financial assets		
Investments	12,072.73	11,986.91
Other financial assets	507.10	655.72
Other non-current assets	357.85	270.37
Deferred tax assets (net)	2,674.11	2,479.80
Income tax assets (net)	727.66	722.23
Total non-current assets	19,253.00	18,601.92
Current assets		
Financial assets		
Investments	793.20	-
Trade receivables	5,199.86	3,735.52
Cash and cash equivalents	156.39	460.93
Other financial assets	300.97	334.54
Other current assets	581.81	523.43
Total current assets	7,032.23	5,054.42
Total assets	26,285.23	23,656.34
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,960.99	6,938.27
Other equity	14,759.73	13,713.91
Total equity	21,720.72	20,652.18
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	89.88	27.76
Lease liabilities	1,863.27	1,685.86
Provisions for employee benefits	103.90	85.88
Total non-current liabilities	2,057.05	1,799.50
Current liabilities		
Financial liabilities		
Trade payables	393.46	308.55
Lease liabilities	454.31	403.96
Other financial liabilities	1,269.19	288.65
Provisions for employee benefits	106.09	75.43
Other current liabilities	103.44	68.69
Provision for tax (net)	180.97	59.38
Total current liabilities	2,507.46	1,204.66
Total equity and liabilities	26,285.23	23,656.34

By order of the Board
For Firstsource Solutions Limited



Vipul Khanna

Managing Director and CEO

Mumbai, India
May 11, 2021

Firstsource Solutions Limited

Statement of cash flows

Annexure I

(Rs in millions)

Particulars	For the year ended	
	31 March 2021	31 March 2020
<u>Cash flow from operating activities</u>		
Net Profit before taxation	4,253.27	2,119.92
Adjustments for		
Depreciation and amortisation	797.95	705.84
Allowance for expected credit loss / bad debt written off, net	-	21.75
Loss /(Gain) on sale of fixed assets, net	3.53	(1.08)
Foreign exchange loss / (gain) , net unrealised	124.18	(172.88)
Finance costs	153.00	156.77
Interest income	(6.20)	(11.96)
Profit on sale / redemption of investments	(18.55)	(57.81)
Employee stock compensation expense	45.10	13.51
Operating cash flow before changes in working capital	5,352.28	2,774.06
Changes in working capital		
(Increase) / Decrease in trade receivables	(1,565.16)	773.31
(Increase) / Decrease in loans and advances and other assets	(131.07)	586.64
Increase in liabilities and provisions	1,159.61	70.48
Net changes in working capital	(536.62)	1,430.43
Income taxes paid	(635.46)	(328.02)
Net cash generated from operating activities (A)	4,180.20	3,876.47
<u>Cash flow from investing activities</u>		
Purchase of current investments	(12,550.59)	(19,186.60)
Proceeds from sale of current investments	11,775.94	20,431.91
Proceeds from redemption of debentures	6.00	2.00
Interest income received	6.47	11.99
Purchase of property plant and equipment	(690.19)	(328.86)
Proceeds from sale of property plant and equipment	34.00	1.88
Earmarked funds placed with banks	(57.18)	(15.26)
Capital advances given against land and others	-	(144.68)
Net cash (used in) / generated from investing activities (B)	(1,475.55)	772.38
<u>Cash flow from financing activities</u>		
Proceeds from long term borrowings	168.93	33.43
Proceeds from issuance of equity shares and share application money	82.15	76.68
Repayment of long term borrowings	(69.50)	(80.56)
Interest paid	(153.00)	(157.17)
Purchase of treasury shares	(652.81)	(89.35)
Repayment of lease liabilities	(405.82)	(350.92)
Dividend paid (net)	(2,037.69)	(3,762.03)
Net cash used in financing activities (C)	(3,067.74)	(4,329.92)
Net (decrease) / increase in cash and cash equivalents at the end of the year (A+B+C)	(363.09)	318.93
Cash and cash equivalents at the beginning of the year	460.93	131.26
Foreign exchange gain / (loss) on translating Cash and cash equivalents	1.37	(4.52)
Earmarked Balances with Banks	57.18	15.26
Cash and cash equivalents at the end of the year	156.39	460.93

Firstsource Solutions Reports Fiscal 2021 Results

Revenues of Rs. 50,780 million; Y-o-Y growth of 23.9%

Operating Margin of Rs. 5,979 million; 11.8% of Revenues

PAT of Rs. 3,617 million; 7.1% of Revenues. Excluding the exceptional charge, PAT is at Rs. 4,499 million or 8.9% of revenues

Mumbai, May 11, 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 March 31, 2021 according to IndAS.

Financial Highlights for Year Ended March 31st, 2021:

- Revenues at Rs. 50,780 million (US\$ 685 million), 23.9% Y-o-Y and 17.9% in CC
- Operating Margin (OM) at Rs. 5,979 million or 11.8% of revenues
- Exceptional charge of INR 1,151 million taken during the year towards increase in value of options granted in our mortgage business to a strategic partner
- Profit After Tax (PAT) at Rs. 3,617 million or 7.1% of revenues. Excluding the exceptional charge, PAT is at Rs. 4,499 million or 8.9% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 5.13
- Net addition of 6,801 employees in the year

Financial Highlights for Quarter Ended March 31st, 2021:

- Revenues at Rs. 14,628 million (US\$ 199.9 million), 35.4% Y-o-Y and 31.7% in CC
- Operating Margin (OM) at Rs. 1,809 million or 12.4% of revenues
- Profit After Tax (PAT) at Rs. 467 million or 3.2% of revenues. Excluding the exceptional charge, PAT is at Rs. 1,309 million or 8.9% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 0.66
- Net addition of 1,386 employees in the quarter

Dr. Sanjiv Goenka, Chairman, RPSG Group and Firstsource Solutions, commented, “As the second COVID wave rips relentlessly through the country, I’d like to wish our employees, their families and communities, strength and good health in the days to come. Our Q4 results cap an impressive year where Firstsource delivered an industry leading revenue growth of 35.4% YoY, with all segments growing consistently. I’m very pleased with how our digital services offerings continue to mature and scale, enabling us to play an integral role in our clients’ digital journeys. Looking ahead, we see a great year of growth with our business performing well in an improving economic outlook.”

Key Business Highlights

Anchored by our digital-first strategy, we continued to accelerate the growth momentum across all our businesses, onboarding 11 new clients during the quarter.

- Health Plans and Healthcare Services (HPHS) business partnered with IntelliH, a multi-disease, patient engagement and remote monitoring company, to deliver turn-key telehealth solutions to Health Plans and Provider organizations in the US. HPHS also added three leading clients to its roster.
- Mortgage business onboarded seven new clients for new loan origination, mortgage servicing, title services and automation support.
- Europe business expanded its relationship with longstanding clients in CMT and BFSI verticals, in addition to adding an industry leading clinical trials client to its portfolio.
- Firstsource was rated 'A-100' by SecurityScorecard™ - a testament to our robust security posture across technology platforms, cloud solutions and applications, and our best practices-based security protocols.
- Mortgage business was listed in the 2021 HW Tech100 for our automated Post-Closing platform-based solution.

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, India and the Philippines, Firstsource acts as a trusted growth partner for over 100 leading global brands, including several Fortune 500 and FTSE 100 companies.

(www.firstsource.com)

Media Contact Sarika.rath@firstsource.com (+91 98863 78198)	Investors Contact Ankur.Maheshwari@firstsource.com +91(80) 6633 6075 dpingle@christensenir.com +91 (22) 4215 0210
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11th May 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 11th May 2021 for Consolidated and Standalone Financial Results respectively for the quarter and financial year ended 31st March 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