

4th February 2022

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: Outcome of the Board Meeting

We wish to inform you that the Board of Directors of the Company have, at there meeting held today i.e. 4th February 2022, inter-alia approved the following:

1. The Audited Standalone and Consolidated Financial Results for the quarter and nine months ended 31st December 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. An Interim Dividend for the financial year ending 31st March 2022 @ Rs. 3.50 per share (35%) on the paid up capital of the Company. The record date for the purpose of determining the members eligible to receive the said interim dividend has been fixed as Friday, 18th February 2022.

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 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

**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 nine months ended 31 December 2021 included in the accompanying 'Statement of Audited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 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 nine months then ended 31 December 2021 (the 'Statement'), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results for the quarter and nine months ended 31 December 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

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- 16.Kramer Technologies, LLC
- 17.Medical Advocacy Services for Healthcare, Inc.
- 18.Firstsource Employee Benefit Trust
- 19.The Stonehill Group,Inc. (acquired on 9 November 2021)
- 20.American Recovery Services, Inc. (acquired on 29 December 2021)
- 21.Firstsource Solutions Mexico, S. de R.L. de C.V (incorporated on 13 December 2021)

Associate:

22. 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 nine months ended 31 December 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 nine months ended 31 December 2021 section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the quarter and nine months ended 31 December 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited condensed interim consolidated financial statements as at and for the quarter and nine months ended 31 December 2021. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and nine months ended 31 December 2021 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and

other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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

Auditor's Responsibilities for audit of the Consolidated Financial Results for the quarter and nine month ended 31 December 2021

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the quarter and nine months ended 31 December 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

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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 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

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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 work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

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

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

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



Sanjiv V. Pilgaonkar
Partner
(Membership No. 39826)
UDIN: **22039826AAIORJ1665**

Mumbai, 4 February 2022

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 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			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2021	2021	2020	2021	2020	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	14,456.41	14,182.12	13,510.13	43,418.62	35,830.59	50,326.87
Other operating income, net	181.70	104.00	142.33	353.63	320.78	452.93
Other income, net	2.20	7.33	12.51	9.40	32.12	12.66
Total income	14,640.31	14,293.45	13,664.97	43,781.65	36,183.49	50,792.46
Expenses						
Employee benefits expense	9,676.42	9,727.52	9,502.58	29,622.77	24,615.66	34,672.28
Depreciation and amortisation	616.63	596.60	513.04	1,796.98	1,529.99	2,063.52
Finance costs	151.16	155.12	127.17	451.78	385.09	522.30
Other expenses	2,582.58	2,170.66	2,046.40	6,999.13	5,887.86	8,065.47
Total expenses	13,026.79	12,649.90	12,189.19	38,870.66	32,418.60	45,323.57
Profit before tax, exceptional item and share in net profit / (loss) of associate	1,613.52	1,643.55	1,475.78	4,910.99	3,764.89	5,468.89
Exceptional item	-	-	-	-	-	1,150.55
Profit before tax and share in net profit / (loss) of associate	1,613.52	1,643.55	1,475.78	4,910.99	3,764.89	4,318.34
Share in net profit of associate	-	-	-	-	-	-
Profit before tax	1,613.52	1,643.55	1,475.78	4,910.99	3,764.89	4,318.34
Tax expense						
Current tax	196.01	183.67	226.94	604.37	397.81	619.59
Deferred tax	62.97	109.81	38.37	265.20	217.06	81.98
Net profit after tax	1,354.54	1,350.07	1,210.47	4,041.42	3,150.02	3,616.77
Other comprehensive income, net of taxes	75.47	159.65	(449.89)	520.68	(827.19)	(878.74)
Total comprehensive income	1,430.01	1,509.72	760.58	4,562.10	2,322.83	2,738.03
Profit attributable to:						
Owners of the equity	1,354.60	1,350.10	1,210.48	4,049.80	3,150.10	3,616.86
Non - controlling interest	(0.06)	(0.03)	(0.01)	(8.38)	(0.08)	(0.09)
Total comprehensive income attributable to:	1,354.54	1,350.07	1,210.47	4,041.42	3,150.02	3,616.77
Owners of the equity	1,430.28	1,509.70	760.65	4,570.64	2,322.93	2,738.52
Non - controlling interest	(0.27)	0.02	(0.07)	(8.54)	(0.10)	(0.49)
Total comprehensive income attributable to:	1,430.01	1,509.72	760.58	4,562.10	2,322.83	2,738.03
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,969.91	6,955.54	6,969.91	6,955.54	6,960.99
Other Equity						21,031.88
Earning per share (Rs) : (Face value per share of Rs 10)						
-Basic	1.99	2.03	1.78	5.96	4.61	5.31
-Diluted	1.92	1.96	1.72	5.74	4.48	5.13

Notes to financial results :

- The audited condensed interim consolidated financial statements for the quarter and nine months ended December 31, 2021 have been taken on record by the Board of Directors at its meeting held on February 4, 2022. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited condensed interim consolidated financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards 34 ('Ind AS 34') 'Interim Financial Reporting', under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereunder.
- During the nine months ended December 31, 2021, 891,610 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- The Board of directors at its meeting held on February 4, 2022 has declared an interim dividend of Rs.3.50 per equity share.

Acquisitions during the quarter

4.1 The Company through its wholly owned subsidiary Sourcepoint, Inc has acquired 100% equity interest and control of the businesses of The StoneHill Group, Inc ("TSG"), a Georgia corporation, for a purchase consideration (including contingent consideration) of US\$ 27 mn (Rs.2,012 mn) on November 9, 2021. The StoneHill Group, Inc. founded in 1996, is headquartered at Atlanta, Georgia, USA. It focuses on loan quality control, due diligence and loan origination services to the US mortgage industry. Of the purchase consideration paid, Rs.172 mn has been allocated to the fair value of identified net assets and Rs.304 mn has been allocated to intangible assets and Rs.1,536 mn has been allocated to goodwill on a provisional basis, pending conclusion of the purchase price allocation exercise. Adjustments (including deferred taxes thereon), if any, will be carried out during the measurement period, which shall not exceed one year from the acquisition date.

4.2 The Company through its wholly owned subsidiary Firstsource Business Process Services, LLC (FBPS) has acquired 100% equity interest and control of the businesses of American Recovery Service Incorporated ("ARSI"), for a purchase consideration (including contingent consideration) of US\$ 53 mn (Rs.3,940 mn) on December 29, 2021. American Recovery Service, Incorporated founded in 1986, is headquartered at Thousand Oaks, California, USA. It provides legal collection services to leading BFSI and Fintech clients in USA. Of the purchase consideration paid, Rs.600 mn has been allocated to the fair value of identified net assets and Rs.3,340 mn has been allocated to goodwill on a provisional basis, pending conclusion of the purchase price allocation exercise. Adjustments (including deferred taxes thereon), if any, will be carried out during the measurement period, which shall not exceed one year from the acquisition date.

5. On December 13, 2021, the Company through its wholly owned subsidiary Firstsource Group USA, Inc. (FG US), incorporated a wholly owned subsidiary Firstsource Solutions Mexico, S de R.L. de C.V.

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rs in millions)

6. Standalone Information (Audited)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2021	2021	2020	2021	2020	2021
Total income	4,105.52	4,161.84	3,757.35	12,358.31	9,386.70	13,529.55
Net profit before taxation	1,139.13	1,271.06	1,266.94	3,614.09	2,874.80	4,253.27
Net profit after taxation and before other comprehensive income	953.48	1,102.67	1,071.70	3,070.83	2,518.47	3,666.53

7. Segment Reporting - Consolidated audited

(Rs in millions)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2021	2021	2020	2021	2020	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue						
a) Banking and Financial Services	6,988.45	6,937.65	7,023.13	21,557.65	18,533.82	26,109.21
b) Healthcare	4,380.62	4,195.96	3,412.32	12,527.19	9,754.77	13,354.35
c) Communication, Media and Technology	2,827.04	2,774.00	2,770.73	8,502.01	6,695.33	9,704.75
d) Diverse Industries	260.30	274.51	303.95	831.77	846.67	1,158.56
Total	14,456.41	14,182.12	13,510.13	43,418.62	35,830.59	50,326.87
Less: Inter-segment revenue	-	-	-	-	-	-
Net segment revenue	14,456.41	14,182.12	13,510.13	43,418.62	35,830.59	50,326.87
Segment results before tax and finance costs						
a) Banking and Financial Services	1,174.85	1,397.53	1,188.10	4,074.29	3,228.58	4,653.40
b) Healthcare	709.77	634.68	580.08	1,990.52	1,538.25	2,113.54
c) Communication, Media and Technology	482.50	428.35	351.21	1,334.78	839.87	1,411.79
d) Diverse Industries	26.25	3.34	22.32	35.22	41.80	114.37
Total	2,393.37	2,463.90	2,141.71	7,434.81	5,648.50	8,293.10
i) Finance costs	(151.16)	(155.12)	(127.17)	(451.78)	(385.09)	(522.30)
ii) Other unallocable expenditure net of unallocable income*	(628.69)	(665.23)	(538.76)	(2,072.04)	(1,498.52)	(3,452.46)
iii) Share in net profit / (loss) of associate	-	-	-	-	-	-
Profit before tax and other comprehensive income	1,613.52	1,643.55	1,475.78	4,910.99	3,764.89	4,318.34

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

Note on segment information

Business segments

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ('CODM'), in deciding how to allocate resources and in assessing performance. Operating segments are identified based on the internal organization at the Balance Sheet date. With the objective of internal financial reporting and decision making of the Group, the CODM has reviewed the manner in which the Group views the business risks and returns and monitors its operations. Accordingly, the group has identified business segment which comprises of Banking and Financial Services, Healthcare, Communication, Media and Technology and Diverse Industries.

Revenues and expenses directly attributable to the segments are reported under each reportable segment. The accounting principles used in the preparation of the segment information are consistently applied to record revenue and expenditure in individual business segments.

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

By order of the Board
For Firstsource Solutions Limited


Vipul Khanna

Managing Director and CEO

Mumbai, India

February 4, 2022

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

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

Opinion

We have audited the Standalone Financial Results for the quarter and nine months ended 31 December 2021 ('Standalone Financial Results') included in the accompanying 'Statement of Standalone Audited Financial Results for the Quarter and Nine Months Ended 31 December 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 nine months ended 31 December 2021:

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those Standards are further described in Auditor's Responsibilities for Audit of the Standalone Financial Results for the quarter and nine months ended 31 December 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 quarter and nine months ended

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31 December 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors, and has been approved by them for the issuance. The Statement has been compiled from the related audited condensed interim standalone financial statements as at and for the quarter and nine months ended 31 December 2021. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and nine months ended 31 December 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Ind AS 34, prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for audit of the Standalone Financial Results for the quarter and nine months ended 31 December 2021

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the quarter and nine months ended 31 December 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

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opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of 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.

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- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

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

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

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

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



Sanjiv V. Pilgaonkar

Partner

(Membership No. 39826)

UDIN: 22039826AAIOVD1371

Mumbai, 04 February 2022

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 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

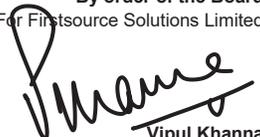
(Rs in millions, except per share data and per equity data)

Particulars	Quarter ended			Nine months ended		Year ended
	December 31	September 30	December 31	December 31	December 31	March 31
	2021	2021	2020	2021	2020	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income						
Revenue from operations	3,864.96	3,967.69	3,581.32	11,779.38	8,902.29	12,851.52
Other operating income, net	168.02	112.30	103.24	351.14	287.83	395.88
Other income, net	72.54	81.85	72.79	227.79	196.58	282.15
Total income	4,105.52	4,161.84	3,757.35	12,358.31	9,386.70	13,529.55
Expenses						
Employee benefits expense	2,024.62	1,998.22	1,718.02	6,006.48	4,396.87	6,306.24
Depreciation and amortisation	228.42	217.88	199.04	664.97	592.71	797.95
Finance costs	49.08	52.76	36.87	156.80	111.16	153.00
Other expenses	664.27	621.92	536.48	1,915.97	1,411.16	2,019.09
Total expenses	2,966.39	2,890.78	2,490.41	8,744.22	6,511.90	9,276.28
Profit before tax	1,139.13	1,271.06	1,266.94	3,614.09	2,874.80	4,253.27
Tax expense						
Current tax	209.52	179.30	217.73	577.68	369.74	590.38
Deferred tax	(23.87)	(10.91)	(22.49)	(34.42)	(13.41)	(3.64)
Net profit after tax	953.48	1,102.67	1,071.70	3,070.83	2,518.47	3,666.53
Other comprehensive income, net of taxes	64.43	153.34	(232.34)	194.01	(136.16)	(198.52)
Total comprehensive income	1,017.91	1,256.01	839.36	3,264.84	2,382.31	3,468.01
Equity						
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,969.91	6,955.54	6,969.91	6,955.54	6,960.99
Other equity						14,759.73
Earning per share (Rs): (Face value per share of Rs 10)						
-Basic	1.40	1.66	1.58	4.52	3.69	5.38
-Diluted	1.35	1.60	1.53	4.35	3.58	5.20

Notes to financial results :

- The audited condensed interim standalone financial statements for the quarter and nine months ended December 31, 2021 have been taken on record by the Board of Directors at its meeting held on February 4, 2022. The statutory auditors have expressed an unmodified audit opinion. The information presented above is extracted from the audited condensed interim standalone financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards 34 ('Ind AS 34') 'Interim Financial Reporting', under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant rules issued thereunder.
- During the nine months ended December 31, 2021, 891,610 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
- The Board of directors at its meeting held on February 4, 2022 has declared an interim dividend of Rs.3.50 per equity share.
- 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.

By order of the Board
For Firstsource Solutions Limited


Vipul Khanna
Managing Director and CEO

Mumbai, India
February 4, 2022

Firstsource Solutions Reports Third Quarter Fiscal 2022 Results

Revenues of Rs. 14,638 million; Y-o-Y growth of 7.2%

Operating Margin of Rs. 1,762 million; 12.0% of Revenues

PAT of Rs. 1,355 million; 9.3% of Revenues

Mumbai, February 4, 2022: 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 December 31, 2021, according to IndAS.

Financial Highlights for Quarter Ended December 31st, 2021:

- Revenues at Rs. 14,638 million (US\$ 195.4 million), 7.2% Y-o-Y and 4.9% in CC
- Operating Margin (OM) at Rs. 1,762 million or 12.0% of revenues
- Profit After Tax (PAT) at Rs. 1,355 million or 9.3% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 1.92
- 27,398 employees as of December 31st, 2021
- Board has recommended an interim dividend of Rs. 3.50 per share

Dr. Sanjiv Goenka, Chairman, RPSG Group and Firstsource Solutions commented, “Our third quarter results are in line with our expectations. We continue to invest in strengthening our capabilities through acquisitions like American Recovery Services, Inc. (ARSI). Our focus on digital has yielded positive results - we onboarded several key clients as well as launched distinct service offerings. I am encouraged by our performance and confident of our ability to continue delivering value to our stakeholders.”

Key Business Highlights:

We witnessed strong growth momentum during the quarter, adding 9 new clients:

- BFS business added five new clients to its roster, expanding further into servicing and quality control in the Mortgage business and BNPL in the Collections business.
- Completed the acquisition of American Recovery Services, Inc. – augmenting our capabilities with legal stage collections and enhancing Firstsource’s leadership in consumer debt management services.
- Communications, Media and Technology (CMT) secured three new clients and expanded into newer capabilities within the broader fintech segments.
- Healthcare business witnessed strong traction in telehealth capabilities, securing one new client during the quarter.
- Established a new center in Mexico, further broadening our geographic footprint.
- Recognized by Bloomberg Gender Equality Index (GEI) for gender related practices, policies and ESG data reporting.

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)

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4th February 2022

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 4th February 2022 for Consolidated and Standalone Financial Results respectively for the quarter and nine-month ended 31st December 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