

5th May 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 of Audited Standalone and Consolidated financial results
for the quarter and financial year ended 31st March 2022 (Q4 FY2021-22)
and Outcome of the Board Meeting**

We wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 5th May 2022, inter-alia approved the following:

1. The Audited Standalone and Consolidated Financial Results for the quarter and financial year ended 31st March 2022, copies of which are enclosed herewith along with copies of Auditors' Reports thereon and a copy of Press release relating to the financial results.
2. Appointment of Ms. Vanita Uppal (DIN 07286115) as an Additional Director (Non- Executive, Independent Women Director, not liable to retire by rotation) with effect from 5th May 2022, subject to the approval of members in the ensuing Annual General Meeting to be held for FY 2021-22.
3. Re-appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as Statutory Auditors of the Company to hold office from the conclusion of the 21st AGM till the conclusion of the 26th AGM to be held for the financial year 2026-27, subject to the approval of the Members in the ensuing Annual General Meeting to be held for FY 2021-22.

The Meeting commenced at 11.30 a.m. and concluded at 01.00 p.m.
We request you to take the above on record.

Thanking you,

For **Firstsource Solutions Limited**

POOJA SURESH
NAMBIAR

Digitally signed by POOJA SURESH
NAMBIAR
Date: 2022.05.05 13:02:53 +05'30'

Pooja Nambiar
Company Secretary & Compliance Officer

Firstsource Solutions Ltd.

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

Tel: +91 (22) 6666 0888 | Fax: +91 (22) 6666 08887 | Web: www.firstsource.com

(CIN: L64202MH2001PLC134147)

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF 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 2022 included in the accompanying 'Statement of Consolidated Audited Financial Results for the Quarter and Year Ended 31 March 2022 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 2022 (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 2022:

(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.

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15. PatientMatters LLC
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. Firstsource Solutions Mexico, S. de R.L. de C.V (incorporated on 13 December 2021)
21. American Recovery Services, Inc. (acquired on 29 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, 2015; 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 2022.

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 2022 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 2022 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 it for the issuance. The Statement has been compiled from the related audited consolidated financial statements for the year ended 31 March 2022. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended 31 March 2022 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.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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

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

The respective Board 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 2022

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the quarter and year ended 31 March 2022 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.
- 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

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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 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. For entities included in the Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between audited figures in respect of the full financial year and the audited year to date figures up to the third quarter of the current financial year. Our opinion on the Statement is not modified in respect of this matter.

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 2022 respectively and total comprehensive income of ₹Nil million (less than ₹0.01 million) and ₹0.01 million (less than ₹0.01 million) for the quarter and year ended 31 March 2022 respectively, as considered in the Statement, in respect of an associate, whose financial information has not been audited by us. The financial

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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: (22039826AIKSOK1694)

Place: Mumbai
Date: 5 May 2022

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

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
	2022	2021	2021	2022	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Income					
Revenue from operations	15,238.78	14,456.41	14,496.28	58,657.40	50,326.87
Other operating income, net	200.50	181.70	132.15	554.13	452.93
Other income, net	(3.85)	2.20	(19.46)	5.55	12.66
Total income	15,435.43	14,640.31	14,608.97	59,217.08	50,792.46
Expenses					
Employee benefits expense	9,844.80	9,676.42	10,056.62	39,467.57	34,672.28
Depreciation and amortisation	696.75	616.63	533.53	2,493.73	2,063.52
Finance costs	187.61	151.16	137.21	639.39	522.30
Other expenses	3,146.25	2,582.58	2,229.37	10,145.38	8,065.47
Total expenses	13,875.41	13,026.79	12,956.73	52,746.07	45,323.57
Profit before tax, exceptional item and share in net profit / (loss) of associate	1,560.02	1,613.52	1,652.24	6,471.01	5,468.89
Exceptional item	-	-	1,098.79	-	1,150.55
Profit before tax and share in net profit / (loss) of associate	1,560.02	1,613.52	553.45	6,471.01	4,318.34
Share in net profit of associate	-	-	-	-	-
Profit before tax	1,560.02	1,613.52	553.45	6,471.01	4,318.34
Tax expense					
Current tax	137.18	196.01	221.78	741.55	619.59
Deferred tax	98.96	62.97	(135.08)	364.16	81.98
Net profit after tax	1,323.88	1,354.54	466.75	5,365.30	3,616.77
Other comprehensive income, net of taxes	291.56	75.47	(51.55)	812.24	(878.74)
Total comprehensive income	1,615.44	1,430.01	415.20	6,177.54	2,738.03
Profit attributable to:					
Owners of the equity	1,323.94	1,354.60	466.76	5,373.74	3,616.86
Non - controlling interest	(0.06)	(0.06)	(0.01)	(8.44)	(0.09)
Total comprehensive income attributable to:	1,323.88	1,354.54	466.75	5,365.30	3,616.77
Owners of the equity	1,616.94	1,430.28	415.59	6,187.58	2,738.52
Non - controlling interest	(1.50)	(0.27)	(0.39)	(10.04)	(0.49)
	1,615.44	1,430.01	415.20	6,177.54	2,738.03
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,969.91	6,960.99	6,969.91	6,960.99
Other Equity				23,359.53	21,031.88
Earning per share (Rs) : (Face value per share of Rs 10)					
-Basic	1.95	1.99	0.69	7.90	5.31
-Diluted	1.88	1.92	0.66	7.62	5.13

Notes to financial results :

1. Figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between the audited consolidated financial statements in respect of the full years and the audited consolidated condensed interim financial statements for nine months ended December 31, 2021 and December 31, 2020 respectively, which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 5, 2022. The statutory auditors have expressed an unmodified audit opinion on these results.

2. During the year ended March 31, 2022, 891,610 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.

3. The Company through its wholly owned subsidiary Sourcepoint, Inc has acquired 100% equity interest and control of the businesses of The StoneHill Group, Inc, a Georgia corporation, for a purchase consideration (including contingent consideration) of US\$ 27 mn (Rs 2,012 mn) on 09 November 2021. The StoneHill Group, Inc. ("TSG") 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.166 mn has been allocated to the fair value of identified net assets and Rs 315 mn has been allocated to intangible assets and Rs.1,530 mn has been allocated to goodwill.

4 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, for a purchase consideration (including contingent consideration) of US\$ 53 mn (Rs.3,940 mn) on 29 December 2021. American Recovery Service, Incorporated. ("ARSI") 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. 507 mn has been allocated to the fair value of identified net assets and Rs 569 mn has been allocated to intangible assets and Rs. 2,863 mn has been allocated to goodwill.

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.

6. 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, 2022

(Rs in millions)

7. Standalone Information (Audited)

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2022	2021	2021	2022	2021
Total income	3,869.25	4,105.52	4,142.85	16,227.56	13,529.55
Net profit before taxation	919.49	1,139.13	1,378.47	4,533.58	4,253.27
Net profit after taxation and before other comprehensive income	805.06	953.48	1,148.06	3,875.89	3,666.53

8. Statement of assets and liabilities (Audited)

(Rs in millions)

Particulars	As at	As at
	March 31	March 31
	2022	2021
ASSETS		
Non-current assets		
Property, plant and equipment	2,284.73	2,354.10
Right-of-use assets	6,757.79	5,132.94
Goodwill on consolidation	27,207.95	21,947.63
Other Intangible assets	1,185.94	540.91
Intangible assets under development	29.34	-
Investment in associates accounted for using the equity method	0.07	0.07
Financial assets		
Investments	114.58	117.38
Other financial assets	529.01	584.46
Deferred tax assets	2,817.84	2,691.89
Income tax assets (net)	794.10	822.49
Others non-current assets	1,153.86	1,792.18
Total non-current assets	42,875.21	35,984.05
Current assets		
Financial assets		
Investments	1,185.38	825.70
Trade receivables		
- Billed	6,446.25	5,767.38
- Unbilled	3,159.06	2,663.51
Cash and cash equivalents	828.20	1,316.16
Other balances with banks	70.14	57.18
Other financial assets	536.21	151.34
Other current assets	1,986.46	1,531.60
Total current assets	14,211.70	12,312.87
Total assets	57,086.91	48,296.92
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,969.91	6,960.99
Other equity	23,359.53	21,031.88
Total equity attributable to equity holders of the Company	30,329.44	27,992.87
Non - controlling interest	3.69	5.39
Total equity	30,333.13	27,998.26
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	2,733.02	845.52
Lease liabilities	6,253.53	4,863.76
Other financial liabilities	1,321.54	-
Provisions for employee benefits	137.46	103.90
Deferred tax liabilities	959.02	469.98
Total non-current liabilities	11,404.57	6,283.16
Current liabilities		
Financial liabilities		
Short term and other borrowings	7,363.60	5,199.22
Trade payables	1,780.59	2,788.03
Lease liabilities	1,486.89	1,034.67
Other financial liabilities	3,346.45	2,033.45
Other current liabilities	838.31	2,136.54
Provisions for employee benefits	527.47	642.62
Provision for tax (net)	5.90	180.97
Total current liabilities	15,349.21	14,015.50
Total equity and liabilities	57,086.91	48,296.92

Firstsource Solutions Limited

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

9. Segment Reporting - Consolidated audited

(Rs in millions)

Particulars	Quarter ended			Year ended	
	March 31	December 31	March 31	March 31	March 31
	2022	2021	2021	2022	2021
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Segment revenue					
a) Banking and Financial Services	7,462.51	6,988.45	7,575.39	29,020.16	26,109.21
b) Healthcare	4,614.27	4,380.62	3,599.58	17,141.46	13,354.35
c) Communication, Media and Technology	2,904.93	2,827.04	3,009.42	11,406.94	9,704.75
d) Diverse Industries	257.07	260.30	311.89	1,088.84	1,158.56
Total	15,238.78	14,456.41	14,496.28	58,657.40	50,326.87
Less: Inter-segment revenue	-	-	-	-	-
Net segment revenue	15,238.78	14,456.41	14,496.28	58,657.40	50,326.87
Segment results before tax and finance costs					
a) Banking and Financial Services	1,000.23	1,174.85	1,373.06	5,074.52	4,653.40
b) Healthcare	1,070.41	709.77	575.29	3,060.93	2,113.54
c) Communication, Media and Technology	516.18	482.50	571.92	1,850.96	1,411.79
d) Diverse Industries	8.57	26.25	72.57	43.79	114.37
Total	2,595.39	2,393.37	2,592.84	10,030.20	8,293.10
i) Finance costs	(187.61)	(151.16)	(137.21)	(639.39)	(522.30)
ii) Other unallocable expenditure net of unallocable income*	(847.76)	(628.69)	(1,902.18)	(2,919.80)	(3,452.46)
iii) Share in net profit / (loss) of associate	-	-	-	-	-
Profit before tax and other comprehensive income	1,560.02	1,613.52	553.45	6,471.01	4,318.34

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

Note on segment information

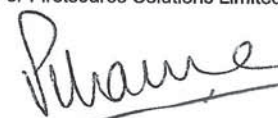
Business segments

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

May 5, 2022

Firstsource Solutions Limited

Consolidated statement of cash flows (Audited)

Annexure I

(Rs in millions)

Particulars	For the year ended	
	March 31	March 31
	2022	2021
<u>Cash flow from operating activities</u>		
Net profit before taxation and non controlling interest	6,471.01	4,318.34
Adjustments for		
Depreciation and amortization	2,493.73	2,063.52
Allowance for expected credit loss/ bad debts written-off, net	77.95	32.75
Loss on sale of property, plant and equipment, net	3.10	3.82
Foreign exchange (gain) / loss, net unrealized	(105.16)	434.67
Finance costs	639.39	522.30
Interest income	(4.74)	(6.98)
Profit on sale/redemption of investments	(30.37)	(18.99)
Employee stock compensation expense	320.00	208.88
Operating cash flow before changes in working capital	9,864.91	7,558.31
Changes in working capital		
Increase in trade receivables	(457.28)	(835.20)
(Increase) / decrease in loans and advances and other assets	(22.39)	64.79
(Decrease) / increase in liabilities and provisions	(1,404.80)	3,665.86
Net changes in working capital	(1,884.47)	2,895.45
Income taxes paid	(944.86)	(698.09)
Net cash generated from operating activities (A)	7,035.58	9,755.67
<u>Cash flow from investing activities</u>		
Purchase of current investments	(16,021.71)	(12,615.58)
Proceeds from sale of current investments	15,692.40	11,808.87
Payment towards acquisition of business	(5,067.14)	(950.00)
Interest income received	4.74	7.22
Purchase of property, plant and equipment	(850.30)	(1,730.97)
Proceeds from sale of property, plant and equipment	121.27	35.46
Capital advance refunded	185.92	-
Earmarked balances with banks	(12.96)	(41.92)
Proceeds from redemption of debentures	2.00	6.00
Net cash used in investing activities (B)	(5,945.78)	(3,480.92)
<u>Cash flow from financing activities</u>		
Proceeds from / (repayment of) short term borrowings	2,442.74	(4,199.97)
Proceeds from long term borrowings	3,008.05	1,621.91
Repayment of long term borrowings	(1,546.16)	(94.28)
Proceeds from issuance of equity shares and share application money	37.32	82.15
Interest paid	(580.44)	(514.28)
Purchase of treasury shares	(499.98)	(652.81)
Purchase of Non-controlling Interest in a subsidiary	(887.28)	-
Repayment of lease liabilities	(1,169.90)	(1,091.93)
Dividend paid (net)	(2,383.96)	(2,037.69)
Net cash used in financing activities (C)	(1,579.61)	(6,886.90)
Net (decrease) in cash and cash equivalents (A+B+C)	(489.81)	(612.15)
Cash and cash equivalents at the beginning of the year	1,316.16	1,892.23
Foreign exchange gain on translating Cash and cash equivalents	1.85	36.08
Cash and cash equivalents at the end of the year	828.20	1,316.16

**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 2022 ('Standalone Financial Results') included in the accompanying 'Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31 March 2022' 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 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards 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 2022.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 2022 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 2022 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 it for the issuance. The Statement has been compiled from the related audited standalone financial statements for the year ended 31 March 2022. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 2022 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 is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for audit of the Standalone Financial Results for the quarter and year ended 31 March 2022

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the quarter and year ended 31 March, 2022, 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:

- 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

**Deloitte
Haskins & Sells LLP**

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.

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 Statement includes the results for the Quarter ended 31 March 2022 being the balancing figure between audited figures in respect of the full financial year and the audited year to date figures up to the third quarter of the current financial year. Our opinion on the Statement is not modified in respect of this matter.

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



SANJIV V. PILGAONKAR
Partner
(Membership No. 39826)
UDIN: (22039826AIKSPX9916)

Place: Mumbai
Date: 5 May 2022

Firstsource Solutions Limited

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

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
	2022 (Audited)	2021 (Audited)	2021 (Audited)	2022 (Audited)	2021 (Audited)
Income					
Revenue from operations	3,576.62	3,864.96	3,949.23	15,356.00	12,851.52
Other operating income, net	212.92	168.02	108.05	564.06	395.88
Other income, net	79.71	72.54	85.57	307.50	282.15
Total income	3,869.25	4,105.52	4,142.85	16,227.56	13,529.55
Expenses					
Employee benefits expense	1,993.97	2,024.62	1,909.37	8,000.45	6,306.24
Depreciation and amortisation	217.01	228.42	205.24	881.98	797.95
Finance costs	43.88	49.08	41.84	200.68	153.00
Other expenses	694.90	664.27	607.93	2,610.87	2,019.09
Total expenses	2,949.76	2,966.39	2,764.38	11,693.98	9,276.28
Profit before tax	919.49	1,139.13	1,378.47	4,533.58	4,253.27
Tax expense					
Current tax	170.18	209.52	220.64	747.86	590.38
Deferred tax	(55.75)	(23.87)	9.77	(90.17)	(3.64)
Net profit after tax	805.06	953.48	1,148.06	3,875.89	3,666.53
Other comprehensive income, net of taxes	(65.75)	64.43	(62.36)	128.26	(198.52)
Total comprehensive income	739.31	1,017.91	1,085.70	4,004.15	3,468.01
Paid-up equity share capital (Face value per share of Rs 10)	6,969.91	6,969.91	6,960.99	6,969.91	6,960.99
Other equity				16,228.34	14,759.73
Earning per share (Rs): (Face value per share of Rs 10)					
-Basic	1.18	1.40	1.69	5.70	5.38
-Diluted	1.14	1.35	1.63	5.49	5.20

Notes to financial results :

1. Figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between the audited standalone financial statements in respect of the full years and the audited standalone condensed interim financial statements for nine months ended December 31, 2021 and December 31, 2020 respectively, which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. These results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 5, 2022. The statutory auditors have expressed an unmodified audit opinion on these results.
2. During the year ended March 31, 2022, 891,610 equity shares were issued pursuant to exercise of stock options under the Employee Stock Option Scheme of the Company.
3. As per Ind AS 108 - Operating Segment ('Ind AS 108'), if a financial report contains both consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS 108 - Operating Segment has been given in the consolidated financial results.
4. Standalone statement of cash flows is attached in Annexure I.

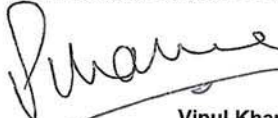
Firstsource Solutions Limited
AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

5. Statement of Assets and liabilities (Audited)

(Rs in millions)

Particulars	As at	As at
	March 31	March 31
	2022	2021
ASSETS		
Non-current assets		
Property, plant and equipment	907.44	785.96
Right-of-use assets	2,072.98	1,929.08
Goodwill	40.14	40.14
Other Intangible assets	106.31	158.37
Financial assets		
Investments	12,208.50	12,072.73
Other financial assets	436.72	507.10
Other non-current assets	113.41	357.85
Deferred tax assets (net)	2,791.57	2,674.11
Income tax assets (net)	739.11	727.66
Total non-current assets	19,416.18	19,253.00
Current assets		
Financial assets		
Investments	1,151.86	793.20
Trade receivables		
- Billed	5,172.44	5,199.86
- Unbilled	196.30	151.71
Cash and cash equivalents	189.23	99.21
Other balances with banks	70.14	57.18
Other financial assets	527.55	149.26
Other current assets	757.91	581.81
Total current assets	8,065.43	7,032.23
Total assets	27,481.61	26,285.23
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6,969.91	6,960.99
Other equity	16,228.34	14,759.73
Total equity	23,198.25	21,720.72
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Long term borrowings	42.39	89.88
Lease liabilities	1,998.69	1,863.27
Provisions for employee benefits	137.46	103.90
Total non-current liabilities	2,178.54	2,057.05
Current liabilities		
Financial liabilities		
Short term and other borrowings	72.72	72.52
Trade payables	465.99	393.46
Lease liabilities	538.92	454.31
Other financial liabilities	775.13	1,196.67
Provisions for employee benefits	136.92	106.09
Other current liabilities	109.24	103.44
Provision for tax (net)	5.90	180.97
Total current liabilities	2,104.82	2,507.46
Total equity and liabilities	27,481.61	26,285.23

By order of the Board
For Firstsource Solutions Limited


Vipul Khanna

Managing Director and CEO

Firstsource Solutions Limited

Standalone Statement of cash flows (Audited)

Annexure I

(Rs in millions)

Particulars	For the year ended	
	31 March 2022	31 March 2021
<u>Cash flow from operating activities</u>		
Net Profit before taxation	4,533.58	4,253.27
Adjustments for		
Depreciation and amortisation	881.98	797.95
Loss on sale of Property Plant and Equipment	2.64	3.53
Foreign exchange (gain) / loss, net unrealised	(27.13)	124.18
Finance costs	200.68	153.00
Interest income	(4.42)	(6.20)
Profit on sale / redemption of investments	(29.26)	(18.55)
Employee stock compensation expense	130.69	45.10
Operating cash flow before changes in working capital	5,688.76	5,352.28
Changes in working capital		
Decrease / (increase) in trade receivables	4.66	(1,607.22)
(Increase) in loans and advances and other assets	(335.77)	(89.01)
(Decrease) / Increase in liabilities and provisions	(209.77)	1,159.61
Net changes in working capital	(540.88)	(536.62)
Income taxes paid	(991.01)	(635.46)
Net cash generated from operating activities (A)	4,156.87	4,180.20
<u>Cash flow from investing activities</u>		
Purchase of current investments	(14,838.15)	(12,550.59)
Proceeds from sale of current investments	14,508.75	11,775.94
Proceeds from redemption of debentures	2.00	6.00
Interest income received	4.42	6.47
Purchase of property plant and equipment	(378.55)	(690.19)
Proceeds from sale of property plant and equipment	26.68	34.00
Earmarked funds placed with banks	(12.96)	(41.92)
Capital advance refunded	185.92	-
Net cash used in investing activities (B)	(501.89)	(1,460.29)
<u>Cash flow from financing activities</u>		
Proceeds from long term borrowings	29.55	168.93
Proceeds from issuance of equity shares and share application money	37.32	82.15
Repayment of long term borrowings	(76.84)	(69.50)
Interest paid	(200.68)	(153.00)
Purchase of treasury shares	(499.98)	(652.81)
Repayment of lease liabilities	(467.14)	(405.82)
Dividend paid (net)	(2,383.96)	(2,037.69)
Net cash used in financing activities (C)	(3,561.73)	(3,067.74)
Net increase / (decrease) in cash and cash equivalents at the end of the year (A+B+C)	93.25	(347.83)
Cash and cash equivalents at the beginning of the year	99.21	445.67
Foreign exchange (loss) / gain on translating Cash and cash equivalents	(3.23)	1.37
Cash and cash equivalents at the end of the year	189.23	99.21

Firstsource Solutions Reports Fourth Quarter Fiscal 2022 Results

Revenues of Rs. 15,439 million; Y-o-Y growth of 5.5%

Operating Margin of Rs. 1,751 million; 11.3% of Revenues

PAT of Rs. 1,324 million; 8.6% of Revenues

Mumbai, May 5, 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 March 31, 2022, according to IndAS.

Financial Highlights for Fiscal Year Ended March 31st, 2022:

- Revenues at Rs. 59,212 million (US\$ 795.2 million), 16.6% Y-o-Y and 14.6% in CC
- Operating Margin (OM) at Rs. 7,105 million or 12.0% of revenues
- Profit After Tax (PAT) at Rs. 5,374 million or 9.1% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 7.62
- 26,557 employees as of March 31st, 2022

Financial Highlights for Quarter Ended March 31st, 2022:

- Revenues at Rs. 15,493 million (US\$ 205.5 million), 5.5% Y-o-Y and 3.1% in CC
- Operating Margin (OM) at Rs. 1,751 million or 11.3% of revenues
- Profit After Tax (PAT) at Rs. 1,324 million or 8.6% of revenues
- Diluted Earnings Per Share (EPS) of Rs. 1.88

Dr. Sanjiv Goenka, Chairman - RPSG Group and Firstsource Solutions, commented, “Our Q4 results cap yet another resilient year. I’m pleased with how we strengthened our digital-first capabilities both organically and inorganically through targeted investments and acquisitions. We expect to deliver solid growth next year, despite the increasing interest rate and high inflation environment.”

Key Business Highlights:

Propelled by our unrelenting focus on customer-centricity, we onboarded 16 new clients during the quarter. Our concerted effort to grow our healthcare and CMT business yielded strong results this year.

- Healthcare business welcomed six new clients and expanded its footprint to Mexico to tap into the growing demand for near-shore operations from US clients. The Provider business rang in its best sales quarter in the last twelve quarters
- We remain focused on growing our BFS business and adjacent capabilities through strategic acquisitions. The process of integrating our recent acquisitions in this sector is progressing smoothly. We added eight new clients to our BFS roster, further strengthening our momentum in the FinTech arena. Mortgage business onboarded four new wins while Collections business welcomed three new clients
- Communications, Media and Technology (CMT) continued its growth trajectory with two new client acquisitions

PRESS RELEASE

- Transformational digital solutions accounted for over half of new client acquisitions
- We received multiple recognitions from analysts and industry alike – a strong validation of our customer-centric, digital-first strategy and our ability to deliver high impact client outcomes:
 - Ranked #1 in 2022 Best in KLAS® Software & Services Report and positioned a 'Leader' in the Eligibility and Enrollment Services category
 - Positioned a 'Leader' in Payer Digital Transformation Services and a 'Rising Star' in Payer BPaaS Services in ISG Provider Lens™ 2021
 - Recognized as a 'Leader' by Everest Group in Healthcare Payer Operations PEAK Matrix® Assessment 2022
 - Emerged as a 'Leader' in Mortgage Operations PEAK Matrix® Assessment 2022 by Everest Group
 - Named to the 2022 TECH100 Mortgage honorees list
 - Won the Gold Award in the Financial Services category at the 2022 UK Complaints Handling Awards

About Firstsource:

Firstsource Solutions Limited, an RP-Sanjiv Goenka Group company (NSE: FSL, BSE: 532809, Reuters: FISO.BO, Bloomberg: FSOL@IN), is a leading provider of transformational solutions and services spanning the customer lifecycle across Healthcare, Banking and Financial Services, Communications, Media and Technology and other industries. The Company's 'Digital First, Digital Now' approach helps organizations reinvent operations and reimagine business models, enabling them to deliver moments that matter and build competitive advantage. With an established presence in the US, the UK, 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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Investors Contact

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dpingle@christensenir.com
+91 (22) 4215 0210

5th May 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 5th May 2022 for Consolidated and Standalone Financial Results respectively for the quarter and financial year ended 31st March 2022 are with unmodified opinion.

Please take the same on your record.

Thanking you,

For **Firstsource Solutions Limited**

POOJA SURESH NAMBIAR
Digitally signed by POOJA SURESH NAMBIAR
Date: 2022.05.05 13:04:16
+05'30'

Pooja Nambiar
Company Secretary & Compliance Officer

Firstsource Solutions Ltd.

5th Floor, Paradigm 'B' Wing, Mindspace, Link Road, Malad (West), Mumbai - 400 064 India.
Tel: +91 (22) 6666 0888 | Fax: +91 (22) 6666 08887 | Web: www.firstsource.com

(CIN: L64202MH2001PLC134147)